

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

CITY OF NORFOLK, NEBRASKA



for the year ended

SEPTEMBER 30, 2025

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

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OF
NORFOLK
NEBRASKA**

for the year ended

September 30, 2025

CITY OF NORFOLK, NEBRASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

*for the
fiscal year
ended
September 30, 2025*

Prepared by:
The Finance Division

CITY OF NORFOLK, NEBRASKA

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INTRODUCTORY SECTION

March 27, 2026

**Honorable Mayor, City Council,
and Citizens of Norfolk
City of Norfolk, Nebraska**

The annual comprehensive financial report of the City of Norfolk for the fiscal year ended September 30, 2025 is hereby submitted. State law requires cities to issue within six months of fiscal year end a set of audited financial statements. This report fulfills this requirement for the fiscal year ended September 30, 2025.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Forvis Mazars, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2025 are fairly presented in accordance with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in

conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

CITY PROFILE

The City of Norfolk is located in Madison County, a prime agricultural region in northeast Nebraska, approximately 112 miles northwest of Omaha and 121 miles north of the state capital of Lincoln.

The City was incorporated September 12, 1881, and utilizes the mayor and council form of government. The Council is elected on a nonpartisan basis. Council members serve four year staggered terms with four council members elected every two years. The mayor serves a four-year term. The City is divided into four wards and each ward is represented by two council members with staggered terms.

The City provides a full range of services. These services include police and fire protection; the construction and maintenance of streets and infrastructure; recreational activities; a public library; a system of parks; planning, zoning, health, and housing; water and sewer utilities; off-street parking facilities; and a solid waste transfer station. In addition to general government activities, the governing body oversees the City's various employee retirement systems and these activities are included in the reporting entity. The Community Development Agency created by the Mayor and Council to provide for redevelopment of blighted areas throughout the City is included because of the significance of its operational and financial relationships with the City. However, the Norfolk Housing Agency does not meet the established criteria for inclusion in the reporting entity, and is excluded from the report. The Agency issues its own financial statements which are available upon request from its office at 1310 West Norfolk Avenue Suite D.

The Council is required to adopt a final budget by no later than September 30 of the prior fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The budget includes all funds of the City except fiduciary funds (Retirement Funds) and component units (Community Development Agency and City of Norfolk Facilities Corporation).

The budget modification process depends on the type of modification being sought. If a department or division head wishes to purchase unbudgeted machinery, tools or equipment, he can choose to do so by exchanging it for another item within the same account. If an exchange is not possible and the item is not deferrable, the City Administrator must review and approve the request, or at his discretion, the Mayor and City Council. Exchanges of budgetary authority between accounts is generally not allowed. If any piece of equipment fails and was unforeseen at budget time, purchasing normally approves replacement up to \$1,500. Amounts over \$1,500 are approved by the City Administrator or the Mayor and City Council.

LOCAL ECONOMY

Sales tax is the City's largest revenue source and continues to be an area of significant interest for the City. The City's 1 ½ cent sales tax revenue in fiscal year 2025 was \$12,190,632, a decrease of \$141,384 or 1.1% from fiscal year 2024. Part of the reason for this decrease is a large spike in sales tax in January 2024. The prior fiscal year had a 3.6% increase from fiscal year 2023. Recent months have seen an increase in sales tax. For the first five months of fiscal year 2026, sales tax is \$234,238 or 4.65% more than budget. Norfolk has generally followed the statewide trend in sales tax.

Norfolk continues to have low unemployment. In December 2025 the national unemployment rate was 4.4% and Norfolk's unemployment rate was 2.7%. Real estate values are increasing in Norfolk. The 2025 assessed valuation increased 9%, and the amount of real growth was \$31 million.

Construction has been completed on a new Norfolk Machinery Co. facility west of Norfolk. The facility opened in September 2025 and includes a 40,000 square foot building for a Caterpillar dealership for sales, rentals, parts, and service of Caterpillar equipment. The facility includes 12 bays and is larger than the existing dealership, providing room for the business to expand its workforce. It features advanced technology, automated storage systems, and increased warehouse space to house additional Caterpillar parts. It has a demonstration area that allows customers to test the functionality of various products and a full-serve Cat Rental Store which offers a complete line of Caterpillar and allied equipment for local contractors.

Construction is finished on a Prime Stop convenience store and truck stop. It is located on Highway 275 on the east side of Norfolk and was opened for business in September 2025. This is part of the Wisner West Redevelopment project. It is a multi-phase project consisting of 8 lots with the first phase being construction of Prime Stop. Development of the other seven lots will occur in subsequent phases. The Redevelopment Contract provides for up to \$528,472 of tax increment financing bonds for the first phase.

The Norfolk area continues to address its housing shortage. A housing study completed last month found that Norfolk needs 605 new housing units by 2031, including 363 owner and 242 rental housing units, to meet current demand and support future population growth. The previous study completed in September 2021 found that Norfolk needed 769 new housing units by 2026. This confirms progress, but shows continued effort is needed. A Redevelopment Contract was recently approved for the Fox Ridge Redevelopment project located on the east side of 37th Street. The project consists of constructing 24 single family homes over approximately six years, with an anticipated four homes constructed and sold in each phase. Total project costs are expected to be over \$9 million, with tax increment financing providing up to \$1,017,184 of this cost.

Construction continues on the Foundry Apartments project located next to West Pasewalk Avenue. This project includes a 178-unit apartment complex with clubhouse, pool, and garages. Total project costs are expected to be over \$26 million. A tax increment financing bond of \$4,015,810 was issued in March 2025, upon which \$1,685,129 has been advanced.

Construction continues on a number of other projects related to Redevelopment Contracts that provide tax increment financing for housing. Progress continues, but has slowed compared to recent years, on the Legacy Bend Development, Medelmans Lake Development, Valley Drive Development, and Geary Redevelopment. A tax increment financing bond of \$1,309,756 was issued in November 2025 for the first phase of the Geary Redevelopment project.

Other economic indicators appear mixed. Norfolk's population increased from an estimated 26,147 in 2023 to an estimated 26,162 in 2024. Per capita personal income increased from \$67,240 in 2023 to \$68,225 in 2024. Norfolk's unemployment rate increased from 2.2% in December 2024 to 2.7% in December 2025. Public school enrollment decreased from 4,542 in September 2024 to 4,404 in September 2025. The most recent assessed valuation, released August 18, 2025, shows taxable property in Norfolk valued at \$2,795,813,488, compared to \$2,563,837,714 the prior year.

Under Nebraska incentive programs, certain businesses that expand their current investment and employment are eligible for credits and refunds to offset income and sales taxes, including Norfolk's local option sales tax. Since these incentives are approved by the state and not the local municipality, the expected long-term benefits are indeterminable to the City. Norfolk's sales tax revenues are usually not significantly affected by these incentive programs.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City's long-term financial planning process starts with the Council selecting the City's top priorities at a Council/Staff Retreat. These priorities are incorporated into the capital improvement program (CIP), budget, and long-term financial plan (LTFP). The LTFP monitors the effect of large capital projects, revenue and expenditure trends out ten years along with expected levy rates.

The Mayor and Council have made an effort to hold down property tax levy rates while still providing adequate programs and services. For the fiscal year 2025-2026 budget, the City's property tax levy rate decreased .015784 going from .271133 last year to .255349 this year. The City's largest revenue source is sales tax which is projected to grow at an annual rate of 3.5% in the LTFP based on past history. Inflation and increases in costs of service puts pressure on property tax, the second largest general revenue source. The LTFP shows the City's property tax rate going from .255349 in 2025-2026 to .334947 in 2034-2035. In 2024-2025 the City's property tax levy rate was 5th lowest of the 30 first class cities in Nebraska and would have moved to 10th lowest with the projected 2034-2035 levy rate.

The City annually prepares a ten-year CIP. This program outlines capital needs for the next ten years and identifies potential funding sources. These projects are prioritized in the categories of urgent, necessary, desirable or deferrable. The CIP is prepared so that capital items do not exceed funding sources provided in the revenue and expenditure trends. The CIP can change from year to year as the revenue and expenditure trends change. The Council determines its top goals and works with City staff to develop strategies to achieve these goals. An action plan is created and specifics are incorporated into the budget to carry out the action plan.

The City periodically updates its water and sewer master plans. The last sewer master plan includes \$10.5 million of improvements through 2040. The last water master plan includes \$20 million of critical system improvements through 2040 and another \$48 million of improvements depending on growth. The City purchased software in October 2023 to aid in financial planning and rate analysis. The goal is to generate sufficient revenue from water and sewer rates for long-term capital needs from affordable rates.

The Mayor and Council currently have seven goals. The first goal is community and economic development. Construction of a two million gallon water tank, new collector well and pipeline, and upgrades at the west water treatment plant are in progress to increase water production for future development. A \$1.5 million federal grant was awarded for a grit removal building and plant upgrades at the water pollution control plant. In addition, a \$1.3 million grant was awarded for a flood wall around the water pollution control plant. To nurture the development of a vibrant downtown, the City is implementing the \$435,000 Downtown Revitalization Grant to continue improvements to building facades and ADA infrastructure improvements. The City was also awarded a \$1.125 million Civic and Community Center Financing Fund grant to illuminate the River Point District. There is collaboration with the Golden Shovel Agency to implement a marketing initiative focused on business and talent recruitment. The City intends to explore the feasibility of establishing an entertainment district in downtown Norfolk. Other focuses are on homelessness and mental health issues. The City is working with non-profits and other agencies to address homelessness and mental health issues, including substance abuse, and help fund these efforts utilizing opioid settlement funds. The City contributed \$32,500 to the Connection Project to provide a temporary overnight warming shelter for homeless citizens.

Parks and recreation is another goal of the Mayor and Council. After focusing the last few years on Johnson Park and North Fork River restoration, this project is now complete. The project included: 1st Street bridge replacement, seven whitewater drop features in the river, ADA restrooms, additional parking, an amphitheater, nature playground, ice skating rink, irrigation, landscaping, wayfinding signage, and artwork. A pickleball court has been constructed at Liberty Bell Park funded with a donation. The Mayor and Council will develop a plan for the old pool area under the lights at Liberty Bell Park. Irrigation at Central Park is complete and next will be replacing walkways and upgrading the tennis courts. A grant was awarded to construct softball fields across from the Kohler complex at Ta-Ha-Zouka Park. A citywide comprehensive master plan for parks and recreation was completed in 2025 and will guide parks improvements in the future.

Street maintenance continues to be a goal of the Mayor and Council. Voters approved an additional half-cent sales tax at the November 2024 election. The half-cent sales tax will fund renovation and expansion of the Police Station with the residual sales tax receipts going for street improvements. The City was awarded a \$2 million RAISE grant for planning a 4.8 mile multimodal system, south Norfolk drainage improvements, infrastructure and streetscape design, and pedestrian safety enhancements. The Mayor and Council plan to bid and award a construction contract for Highway 275 and Highway 81 corridor landscape improvements. Other street maintenance goals this year include: design for reconstruction of 25th Street from

Benjamin Avenue to Eisenhower Avenue, review bridge maintenance needs, and complete the concrete street repairs project.

The Mayor and Council are focusing on a number of Public Works projects this year. The process of recertifying that the flood control levee meets Federal Emergency Management Agency standards is ongoing. Construction of improvements to the flood control levee are anticipated to start in 2027. As discussed in the community and economic development goal, there are significant upgrades at the water treatment plant and water pollution control plant. The Mayor and Council want to continue conversations on a source separation recycle facility, wastewater resource recovery, and adding sidewalks throughout the City.

Another goal is Public Safety expansion. As mentioned earlier, voters approved a half-cent sales tax at the November 2024 election to fund renovation and expansion of the Police Station. The additional sales tax started April 1, 2025 and will sunset March 31, 2029. Construction has started on the approximately \$9.2 million renovation and expansion. The project will provide additional space and modernized amenities to address long-standing needs for expanded work areas, updated operational spaces, secure storage, and improved service areas for officers and staff. The design includes a two-story expansion with a multipurpose garage on the east side of the existing building capable of housing up to seven vehicles. Additional enhancements include dedicated juvenile observation rooms, firearm maintenance areas, secure evidence processing and storage, expanded fitness facilities, a third high-capacity boiler, enlarged locker rooms, a multipurpose classroom, and designated spaces for driving and shooting simulators. Construction is expected to be finished in 2027.

To achieve the goal of community engagement and public relations the communications office will continue to receive input and feedback from citizens. There will be increased presence on social media, spotlighting different areas in order to better communicate with citizens. The Mayor and Council are emphasizing neighborhood revitalization as a step toward the goal of property maintenance. A Regional Land Bank has been established and staff will look for opportunities to participate in the demolition of dilapidated structures and building of affordable homes for low to moderate income families.

RELEVANT FINANCIAL POLICIES

The City's important financial policies are included in the City's budget document. During the current year, one of these policies was particularly relevant. In 1988 the City Council adopted a policy that requires a minimum budgeted General Fund ending balance of \$1 million. If adjusted for inflation this would be \$2.7 million. Over the last several years, the City has been increasing General Fund ending balance to bring it up to a more appropriate level.

AWARDS AND ACKNOWLEDGEMENTS

CERTIFICATE OF ACHIEVEMENT. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norfolk for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the thirty-seventh consecutive year that the

government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

DISTINGUISHED BUDGET PRESENTATION AWARD. In addition, the City has also received the GFOA's Distinguished Budget Presentation Award for the last thirty-three years, the most recent for the 2025-2026 budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS. The timely preparation of this annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Division. Each member of the division has my sincere appreciation for the contributions made in the preparation of this report. I also thank the Mayor and City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Sincerely,

CITY OF NORFOLK

A handwritten signature in black ink, appearing to read 'Randy Gates', with a stylized flourish at the end.

Randy Gates
Finance Officer

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norfolk, Nebraska for its annual comprehensive financial report for the fiscal year ended September 30, 2024.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

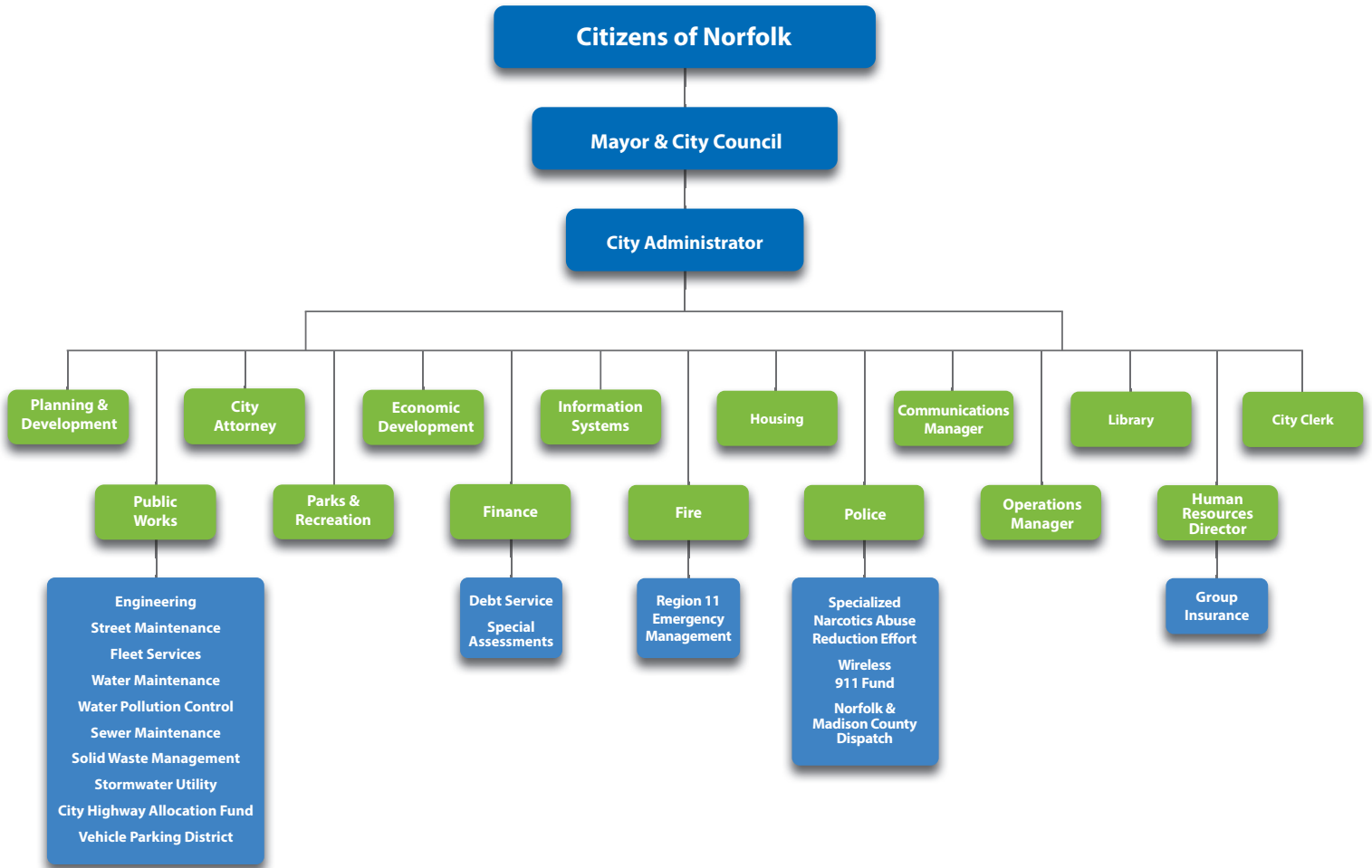
**City of Norfolk
Nebraska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO



CITY OF NORFOLK, NEBRASKA

List of Principal Officials

October 1, 2025

Title	Name
Mayor	Shane Clausen
Council Member	Jeff Jensen
Council Member	Corey Granquist
Council Member	Jim Lange
Council Member	Frank Arens
Council Member	Andrew McCarthy
Council Member	Kory Hildebrand
Council Member	Justin Webb
Council Member	Sue Beckman
City Administrator	Scott Cordes
Interim City Attorney	Melissa Figueroa
City Clerk	Kylee Soderberg
Planning & Development Director	Valerie Grimes
Director of Public Works	Steven Rames
Finance Officer	Randy Gates
Fire Chief	Tim Wragge
Housing Director	Rita Heinemann
Information Systems Manager	Brad Andersen
Library Director	Jessica Chamberlain
Streets Manager	Will Elwell
Operations Manager	Lyle Lutt
Parks & Recreation Director	Nathan Powell
Police Chief	Brian Tighe
Wastewater Plant Superintendent	Robert Huntley
Water and Sewer Director	Chad Roberts
Economic Development Director	Candice Alder

FINANCIAL SECTION

Independent Auditor's Report

Honorable Members of the City Council
City of Norfolk, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk, Nebraska (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk, Nebraska, as of September 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Lincoln, Nebraska
March 27, 2026**

Management's Discussion and Analysis

September 30, 2025

This discussion and analysis of the City of Norfolk's financial performance provides an overview of the City's financial activities for the fiscal year ending September 30, 2025. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page 1 and the City's financial statements that follow this report.

Financial Highlights:

- The assets and deferred outflows of resources of the City of Norfolk exceeded liabilities and deferred inflows of resources at September 30, 2025, by \$220,884,706. Of this amount, \$46,315,996 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$9,774,472 during the year. Of this amount, the net position of Governmental Activities increased \$3,430,998 and the net position of Business-Type Activities increased \$6,343,474.
- Bonds payable increased \$14,363,676. Outstanding revenue bonds total \$27,101,873, general obligation bonds \$26,807,106, and special assessment bonds \$4,692,720 backed by the City's full faith and credit. Bond anticipation notes decreased \$188,970 and total \$4,188,970.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management's Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the overall City and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE OVERALL CITY

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the overall City using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is *"Is the City of Norfolk in a better financial position at the end of this fiscal year, compared to last year?"* The Statement of Net Position and the Statement of Activities report information about the overall City and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure, are also important in making this determination.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, such as Public Safety, Public Works, Library, Community Improvement, Parks and General Administration. Sales tax, revenue from lease of the City's electrical distribution system, property tax and grants finance most of these activities.
- **Business Type Activities** – The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, and Stormwater funds.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the overall City. Some funds are required to be established by State law or by bond requirements. The City Council also established funds to control and manage

money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as grant revenues). The City has the following types of funds:

- **Governmental Funds** – Most of the City’s basic services are included in Governmental Funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the “modified accrual basis” of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed short-term view of the City’s general governmental operations and basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds in a reconciliation following each Governmental Fund financial statement.
- **Proprietary Funds** – When the City charges customers for the service it provides, these services are generally reported in Proprietary Funds. Proprietary Funds are reported using the accrual basis of accounting, the same basis reported in the Statement of Net Position and the Statement of Activities. The major difference between the Proprietary Funds report and the Business Type Activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the Proprietary Funds report.

THE CITY AS TRUSTEE

Reporting the City’s Fiduciary Responsibilities

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City government. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary Funds statements.

THE OVERALL CITY

As stated earlier, net position may serve over time as a useful indicator of a government’s financial position. The largest part of the City’s net position reflects its investment in

capital assets (land, buildings and improvements, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from the other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This year the City's net investment in capital assets is \$152,337,253.

For the year ended September 30, 2025, net position was as follows:

City of Norfolk's Net Position						
	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 50,626,729	\$ 56,018,014	\$ 33,568,370	\$ 20,862,655	\$ 84,195,099	\$ 76,880,669
Capital Assets	123,309,028	119,294,870	88,676,070	77,123,491	211,985,098	196,418,361
Total Assets	173,935,757	175,312,884	122,244,440	97,986,146	296,180,197	273,299,030
Deferred Outflows of Resources	20,517	21,710	-	-	20,517	21,710
Long-Term Liabilities	35,374,031	35,959,938	27,687,702	12,048,421	63,061,733	48,008,359
Other Liabilities	7,854,538	12,077,260	3,587,956	1,279,948	11,442,494	13,357,208
Total Liabilities	43,228,569	48,037,198	31,275,658	13,328,369	74,504,227	61,365,567
Deferred Inflows of Resources	36,680	37,369	775,101	807,570	811,781	844,939
Net Position:						
Net Investment in Capital Assets	87,689,810	82,787,695	64,647,443	65,347,288	152,337,253	148,134,983
Restricted	20,730,253	14,736,395	1,501,204	1,325,611	22,231,457	16,062,006
Unrestricted	22,270,962	29,735,937	24,045,034	17,177,308	46,315,996	46,913,245
Total Net Position	\$ 130,691,025	\$ 127,260,027	\$ 90,193,681	\$ 83,850,207	\$ 220,884,706	\$ 211,110,234

A portion of net position (10%) represents resources that are subject to external restrictions on their use. The remaining balance is unrestricted net position of \$46,315,996 and may be used to meet the City's ongoing obligations to its citizens and creditors.

Current assets increased \$7,314,430 or 9.51% primarily due to \$5,909,506 of unspent bond proceeds issued to fund various projects at the west water treatment plant. The total bond issue was \$16 million, which caused long-term liabilities to increase \$15,053,374 or 31.36%. These projects, and the capital outlay described later in the Capital Assets section, increased capital assets \$15,566,737 or 7.93%.

The biggest change in net position is a \$6,169,451 increase in restricted net position. The amount restricted for road projects increased \$3,352,240 due to accumulating highway allocation revenue to be used on future street improvements. Sales tax of just under \$2 million is restricted for the voter approved Police Station building project.

Total revenue reported in fiscal year 2025 was \$69,913,878. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

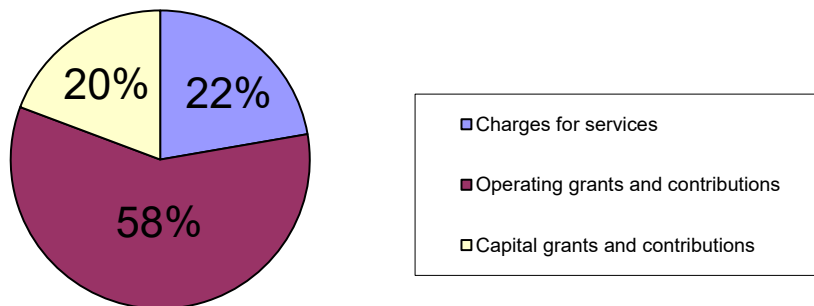
City of Norfolk's Changes in Net Position

	General Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 4,586,948	\$ 4,388,858	\$ 14,718,493	\$ 13,935,387	\$ 19,305,441	\$ 18,324,245
Operating grants and contributions	12,035,641	8,336,427	142,697	309,740	12,178,338	8,646,167
Capital grants and contributions	3,967,128	6,727,349	1,901,016	1,735,772	5,868,144	8,463,121
Total Program Revenues	20,589,717	19,452,634	16,762,206	15,980,899	37,351,923	35,433,533
General Revenues:						
Property taxes	7,061,049	7,062,019	-	-	7,061,049	7,062,019
Sales taxes	14,246,924	12,332,016	-	-	14,246,924	12,332,016
Other taxes	283,645	284,911	-	-	283,645	284,911
Occupation and franchise taxes	890,968	865,510	-	-	890,968	865,510
Interest	1,422,378	1,914,529	997,498	688,199	2,419,876	2,602,728
General intergovernmental revenues	1,990,556	2,416,335	-	-	1,990,556	2,416,335
Keno revenues	755,968	740,713	-	-	755,968	740,713
General revenue from electrical distribution system lease	4,729,136	4,548,557	-	-	4,729,136	4,548,557
Gain on sales of capital assets	61,005	32,616	-	-	61,005	32,616
Miscellaneous	117,340	284,328	5,488	18,777	122,828	303,105
Total General Revenues	31,558,969	30,481,534	1,002,986	706,976	32,561,955	31,188,510
Total Revenues	52,148,686	49,934,168	17,765,192	16,687,875	69,913,878	66,622,043
Expenses:						
General Government	3,927,018	2,017,065	-	-	3,927,018	2,017,065
Public Safety	16,730,611	14,161,672	-	-	16,730,611	14,161,672
Public Works	10,123,945	9,257,681	-	-	10,123,945	9,257,681
Public Library	2,162,643	2,077,427	-	-	2,162,643	2,077,427
Parks and Recreation	6,300,240	4,933,335	-	-	6,300,240	4,933,335
Community Improvement and Development	8,065,863	4,611,338	-	-	8,065,863	4,611,338
Debt Service	1,261,112	1,162,484	-	-	1,261,112	1,162,484
Water System	-	-	3,736,793	3,091,507	3,736,793	3,091,507
Sewer System	-	-	4,771,483	4,419,825	4,771,483	4,419,825
Solid Waste	-	-	2,947,471	2,798,254	2,947,471	2,798,254
Stormwater	-	-	112,227	169,032	112,227	169,032
Total Expenses	48,571,432	38,221,002	11,567,974	10,478,618	60,139,406	48,699,620
Increase in Net Position before Transfers	3,577,254	11,713,166	6,197,218	6,209,257	9,774,472	17,922,423
Transfers	(146,256)	164,507	146,256	(164,507)	-	-
Increase in Net Position	3,430,998	11,877,673	6,343,474	6,044,750	9,774,472	17,922,423
Net Position - Beginning	127,260,027	115,382,354	83,850,207	77,805,457	211,110,234	193,187,811
Net Position - Ending	\$130,691,025	\$127,260,027	\$ 90,193,681	\$ 83,850,207	\$220,884,706	\$211,110,234

Program revenues totaled \$37,351,923. Of this total \$20,589,717 was program revenues from General Governmental Activities, which increased \$1,137,083 or 5.85% from the prior year. Operating grants and contributions increased \$3,699,214 primarily due to a \$3.6 million increase in tax increment financing proceeds for the Bradford Business Park and Foundry Apartments redevelopment projects. Partially offsetting this increase is a \$2,760,221 decrease in capital grants and contributions due to funding received in the prior year for Johnson Park. Program revenues from Business-Type Activities were \$16,762,206, which increased \$781,307 or 4.89% from the prior year. About 87% of Business-Type Activities program revenues is use fees for water, sewer, solid waste and stormwater. Water rates increased 6.25% effective October 1, 2024. Residential and commercial sewer rates increased 3.5% and industrial sewer rates increased 8% effective October 1, 2024.

The following chart breaks down Program Revenues for General Governmental Activities by source:

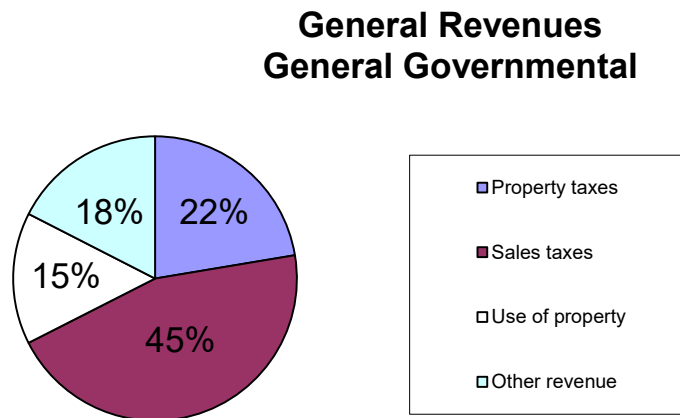
Program Revenues General Governmental



General revenues for Governmental Activities increased \$1,077,435 or 3.53% going from \$30,481,534 last year to \$31,558,969 in the current year. The largest general revenue source is sales tax, which increased \$1,914,908 or 15.53%. In November 2024 voters approved a half-cent sales tax increase to fund a Police Station addition and renovation, with any remaining funds going toward street improvements. The half-cent increase went into effect April 1, 2025 and generated \$2,056,292 of sales tax revenue this year. The second largest general revenue source, property taxes, remained relatively unchanged, decreasing \$970. The third largest general revenue source, general revenue from electrical distribution system lease, increased \$180,579 or 3.97%. NPPD pays the City 12% of their revenues for use of the City-owned electrical distribution system. NPPD increased retail rates 2% effective January 1, 2025. Interest income decreased \$492,151 going from \$1,914,529 last year to \$1,422,378 this year due to the decrease in short-term interest rates and a decrease in cash available for investment. General

intergovernmental revenues decreased \$425,779 or 17.62%. In 2021-2022 the City received \$4.3 million from the American Rescue Plan Act and recognized \$1,708,621 in revenue last year, compared to \$1,127,242 this year, based on when expenditures were incurred. The City has expended all American Rescue Plan Act funds as of September 30, 2025, well before the deadline of December 31, 2026.

The following chart breaks down General Revenues for General Governmental Activities by source:



Total expenses increased \$11,439,786 or 23.49% going from \$48,699,620 last year to \$60,139,406 this year. The increase was primarily in the Governmental Activities which increased \$10,350,430 or 27.08%.

The biggest increase was in community improvement and development, which increased \$3,454,525 going from \$4,611,338 last year to \$8,065,863 this year. In the current year there was \$6 million of tax increment financing proceeds compared to \$2.4 million in the prior year. The tax increment financing proceeds were disbursed to the developers according to the Redevelopment Contracts. Tax increment financing projects in the current year include Bradford Business Park and Foundry Apartments.

Public safety increased \$2,568,939 or 18.14% going from \$14,161,672 in the prior year to \$16,730,611 in the current year. The increase is primarily due to a number of factors affecting personnel costs. During the year the City approved agreements with three high-ranking police officers after the officers were placed on administrative leave. This resulted in approximately \$1,035,000 of personnel costs. After the change in personnel, the Police Division was able to fill positions that had been vacant for years. Effective October 1, 2024 there was a 2.5% cost of living adjustment and a 3% increase in group health insurance premiums. Compensated absences increased \$360,261 due to adding sick leave projected to be used.

General government increased \$1,909,953 going from \$2,017,065 last year to \$3,927,018 this year. The increase is primarily due to a \$1,357,215 increase in group benefit claims in the Internal Service Fund and the corresponding decrease in operating results included in general government expense.

Parks and recreation increased \$1,366,905 or 27.71%. The increase is partially from the Johnson Park improvements being completed this year. This increased depreciation \$246,790. Over \$170,000 was expensed for the Johnson Park improvements that didn't meet the capitalization threshold. The increase in minimum wage for seasonal employees, cost of living adjustment for full-time employees, group health insurance premiums, and compensated absences increased personnel costs \$305,107. The turf on the football/soccer field had to be replaced to conform with regulations, and resulted in a loss on disposal on the existing turf of \$124,255.

Public works increased \$866,264 or 9.36% primarily due to a \$527,979 increase in depreciation. A number of large capital outlay projects were completed during the year including: Benjamin Avenue reconstruction, 1st Street bridge replacement, and North Fork River rehabilitation.

Expenses for Business-Type Activities increased \$1,089,356 or 10.4% going from \$10,478,618 last year to \$11,567,974 this year. This increase is partially due to \$221,000 of bond issuance costs and \$269,216 of interest expense on the \$16 million Combined Utilities Revenue Bonds issued to fund improvements at the west water treatment plant and water pollution control plant. Personnel costs increased \$163,146 due to a 2.5% cost of living adjustment and a 3% increase in group health insurance premiums. Repairs and maintenance increased \$487,539 primarily due to east water plant chlorine scrubber maintenance, well electrical work, and repairs to the sewer vacuum truck.

The following table shows the activities included within each program level:

<u>Program Level</u>	<u>Activity</u>
General Government.....	Administration, Support Services
Public Safety.....	Emergency Medical Services, Police, Fire, Emergency Management
Public Works	Engineering, Streets, Fleet
Public Library	Operation of Public Library
Parks and Recreation	Parks, Recreation
Community Improvement and Development.....	Housing, Economic Development, Planning and Development
Debt Service.....	Payment of Interest
Water System.....	Operation of Water Treatment Plant and Distribution System
Sewer System.....	Operation of the Waste Water Treatment Plant and Collection System
Solid Waste.....	Operation of Transfer Station
Stormwater.....	Compliance with Federal Stormwater Regulations

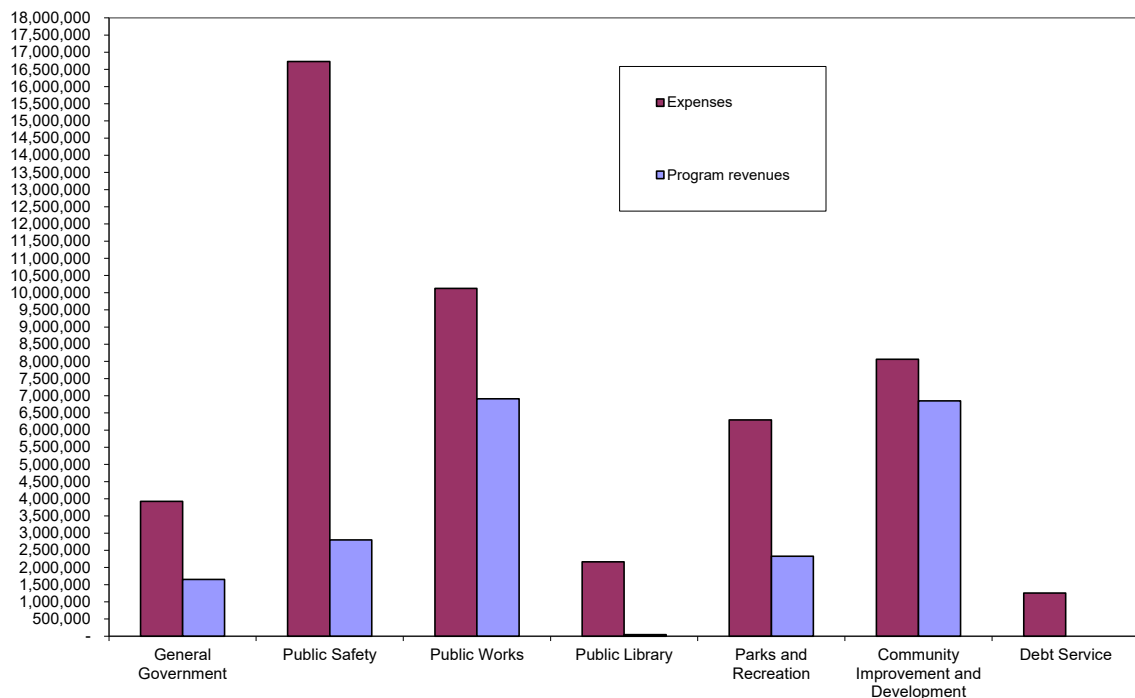
Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical

Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers.

The following chart shows the relationship of program expense to program revenue for governmental activities in a graphical format. As would be expected, expenses exceed revenues for all governmental activities. For example, public safety had expenses of \$16,730,611 and total program revenues of only \$2,806,342 comprised of \$1,616,598 of charges for services, \$1,094,830 of operating grants and contributions, and \$94,914 of capital grants and contributions. The net cost of public safety was \$13,924,269 which must be funded by general revenues.

Expenses and Program Revenues - Governmental Activities



Some of the individual line item revenues reported for each function are:

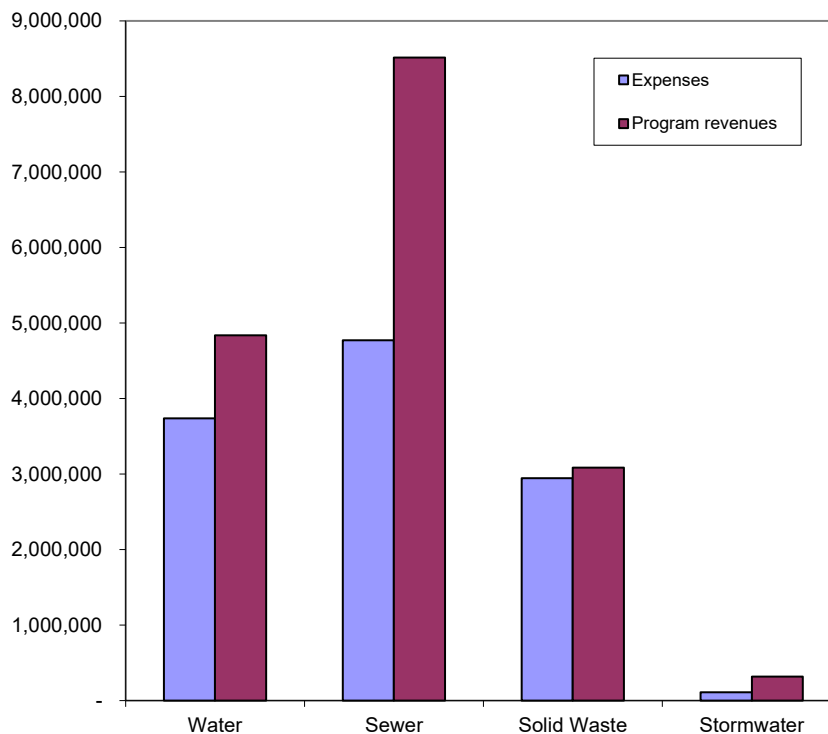
General Government.....	Fees, Nongovernmental Grants, Federal Grants
Public Safety.....	State Revenue, Federal Grants, State Grants, Ambulance Fees and Other Charges for Service, Contributions
Public Works.....	Special Assessments, State Revenue, Charges for Services, Federal Grants, Rent, Contributed Capital
Public Library.....	Service Charges, Fees, State Grants, Contributions
Parks and Recreation	Rent, Fees, Contributions, Federal and State Grants
Community Improvements and Development...	Federal Grants, Contributions, Permits, TIF proceeds

Business-Type Activities

Business-Type Activities net position increased \$6,343,474 accounting for 65% of the growth in the City's net position.

The City operates four Business-Type Activities including water, sewer, solid waste, and stormwater. As can be seen by the following chart, program revenues exceeded expenses in all four divisions during the year. Water Division program revenues exceeded expenses by \$1,102,209. Water rates are set to fund the City's water master plan, the last update of which was completed in March 2023. The update includes \$20 million of critical system improvements through 2040 and another \$48 million of improvements depending on growth. Water rates increased 6.25% effective October 1, 2024. The City updated its sewer master plan and the update includes \$10.5 million of improvements through 2040. Residential and commercial sewer rates increased 3.5% and industrial sewer rates increased 8% effective October 1, 2024, contributing to Sewer Division program revenues exceeding expenses by \$3,745,202. Due to normal operations of the transfer station, Solid Waste Division program revenues exceeded expenses by \$138,009.

Expenses and Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$33,285,081. The combined Governmental Fund balance decreased \$468,441 or 1.39% from the prior year.

The General Fund is the primary operating fund of the City. During the year, expenditures exceeded revenues in the General Fund by \$1,203,582 decreasing fund balance from \$13,340,475 last year to \$12,136,893 this year. As mentioned earlier, the City approved agreements with three high-ranking police officers after the officers were placed on administrative leave, which resulted in approximately \$1,035,000 of personnel costs. The City's 1 ½ cent sales tax was down \$141,384 or 1.15% from the prior year. Construction in Norfolk has slowed, contributing to the decline in taxable sales.

The City Highway Allocation Fund increased \$2,014,023 going from \$6,057,639 last year to \$8,071,662 this year. As mentioned earlier, Benjamin Avenue reconstruction and 1st Street bridge replacement were completed this year. The next major street project funded by highway allocation receipts is expected to be reconstruction of 25th Street from Benjamin Avenue to Eisenhower Avenue. A \$325,000 contract was approved for design services engineering. Construction is expected to start in 2028. Highway allocation receipts are being accumulated to fund this project leading to the increase in fund balance.

The Special Assessment Fund had a decrease in fund balance of \$2,203,059. The majority of Norfolk 140 paving district was constructed this year. Total cost of the paving district was \$2.8 million, with approximately \$1.8 million in the current year. Bond anticipation notes of \$3,730,000 were issued in September 2023. Since this is a fund liability, fund balance decreased as payments were made to the contractor.

The Debt Service Fund increased \$503,006 or 7.31%. The increase is partially due to \$110,759 of special assessment collections to be used on future debt service of various purpose bonds. The remaining increase is property tax collections to be used on future debt service.

The only other major fund is the Community Development Agency Fund. This fund had an increase in fund balance of \$10,651 or 2.57% due to interest earnings. During the year \$5,961,706 of tax increment financing proceeds were issued and distributed to developers in accordance with the Redevelopment Agreements.

Governmental nonmajor funds increased \$410,520. The Norfolk/Madison Dispatch Fund increased \$308,317 during its fourth year of operation. The Economic Development

Operating Fund decreased \$99,439 after restructuring the agreement with Madison County in August 2023 to reduce the amount of funding for economic development. The remaining funds had increases in fund balance ranging from \$2,652 to \$86,425.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was not amended during the year and included approximately \$29.6 million of revenues and \$33.4 million of expenditures resulting in a budgeted decrease in fund balance of \$3.8 million. Actual fund balance decreased \$2,269,620 because revenues exceeded budget by \$2.4 million and expenditures exceeded budget by \$0.9 million. This combined with beginning fund balance exceeding budget by \$1.4 million, resulted in an ending fund balance of about \$2.9 million more than budgeted.

The largest amount of revenues over budget was in taxes which exceeded budget by \$899,482 due to the increase in sales tax. At the time the budget was prepared, voters had not voted on the half-cent sales tax increase and, therefore, the additional half-cent sales tax was not budgeted. The second largest amount of revenues over budget was in intergovernmental revenue which exceeded budget by \$659,383. The excess is primarily due to receipts from the State of Nebraska for property tax credit and homestead exemption. These receipts are not budgeted in intergovernmental revenue as they are budgeted as part of property taxes. Miscellaneous exceeded budget by \$176,818 due to unbudgeted insurance proceeds, funds received to upgrade street lighting, more capital assets sold than anticipated. Contributions exceeded budget by \$128,494 primarily due to a contribution of \$70,280 for Skyview Park trail lighting and \$50,300 from T Mobile for language access, both of which were unknown at the time of preparing the budget.

Expenditures in most categories were under budget resulting in \$433,603 less expenditures than budgeted. The City budgets conservatively and expenditures are normally under budget, usually by significantly more than the \$433,603 under budget this year. Public works had the largest amount of under budget expenditures followed by public library. The agreements with the three high-ranking police officers caused public safety to be \$459,627 over budget. Parks and recreation was over budget \$175,881 due to several unanticipated emergency repairs and infrastructure failures, including pool equipment replacements, elevator and safety repairs, storm damage, and increased utility costs driven by drought conditions and higher energy rates.

Transfers out exceeded budget by \$1,312,822 due to transfers of sales tax to the Capital Construction Fund for the Police Station building project. Similar to the sales tax receipts not being budgeted since the vote took place after the budget was prepared, the transfer to the Capital Construction Fund was not budgeted.

CAPITAL ASSETS

The City's investment in capital assets, including land, buildings and improvements, equipment, right-to-use lease and subscription assets, streets, water and sewer systems,

drainage systems and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of September 30, 2025, was \$152,337,253 (net of accumulated depreciation/amortization and outstanding financings). The gross additions to capital assets for the last two years follows:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,204,245	\$ -	\$ -	\$ 29,617	\$ 1,204,245	\$ 29,617
Right-to-use leased land	-	-	75,117	-	75,117	-
Buildings and improvements	7,491,860	177,418	48,006	34,670	7,539,866	212,088
Water distribution and sewage system	-	-	1,345,043	5,092,102	1,345,043	5,092,102
Equipment, furniture and fixtures	1,937,730	1,039,041	442,185	127,781	2,379,915	1,166,822
Right-to-use subscription assets	132,753	496,050	-	-	132,753	496,050
Infrastructure	30,565,081	6,263,337	-	-	30,565,081	6,263,337
Construction in progress	6,992,118	17,269,152	11,791,895	3,262,265	18,784,013	20,531,417
Total Gross Additions	\$ 48,323,787	\$ 25,244,998	\$ 13,702,246	\$ 8,546,435	\$ 62,026,033	\$ 33,791,433

Gross additions to capital assets for Governmental Activities were \$48,323,787 this year compared to \$25,244,998 of additions in the prior year. The largest project in the current year is completion of Benjamin Avenue reconstruction. This was a multiyear project to widen Benjamin Avenue from 4 lanes to 5 lanes from 1st Street to 13th Street. This project added \$17,228,924 to infrastructure this year, most of which was in construction in progress in the prior year. Another large project completed this year was the riverfront project, which consisted of: 1st Street bridge replacement, North Fork River rehabilitation, and improvements at Johnson Park. Approximately \$17 million was added to various capital accounts for this project. In partnership with Norfolk Public Schools and Northeast Community College, the City constructed team lockers at Ta-Ha-Zouka Park for \$1,544,622. Significant additions to construction in progress include: Norfolk 140 paving district, various water and sewer assessment districts, grit removal building improvements funded with American Rescue Plan Act funds, flood control levee recertification, land purchase at Ta-Ha-Zouka Park, and Police Station addition and renovation.

Total gross additions to capital assets for Business-Type activities were \$13,702,246 compared to \$8,546,435 in the prior year. Most of the additions were in construction in progress. The largest project is at the water treatment plant and consists of: west collector well and pipeline, two million gallon water storage tank, and water treatment plant upgrades. This project added \$6,763,650 to construction in progress in the current year. The grit removal building improvements at the water pollution control plant added \$3,832,861 to construction in progress. Other significant additions in the current year include: developer contributions of water and sewer lines in new subdivisions, a spotter truck, and two trailers.

See Note 5 to the financial statements for more information on the City's Capital Assets.

DEBT ADMINISTRATION

At year-end the City had \$58,601,699 of bonded debt outstanding, net of original issue discounts/premiums. This is an increase of \$14,363,676 from the prior year. During the year the City issued \$16 million of Combined Utilities Revenue Bonds to fund a finished water storage tank, west collector well and pipeline, west water treatment plant improvements, and grit removal facility improvements.

Moody's rated the Series 2025 Combined Utilities Revenue Bonds Aa3. The ratio of general bonded debt to assessed real property value for the City has decreased from 1.12% in 2016 to 0.79% currently due to an increase in assessed valuation over the last 10 years. Total debt per capita was \$1,010.86 in 2016 compared to \$1,709.50 in 2024, the most recent date per capita information is available. The debt coverage ratio for the City's enterprise bonds is 5.53.

The City has no legal debt limit. Debt service payments are exempt from both the lid and levy limits under Nebraska law. More detailed information on debt administration is provided in Note 9 of the financial statements.

ECONOMIC FACTORS

Effective April 1, 2025 the sales tax rate increased one-half percent, bringing the combined city and state sales tax rate to 7 ½ percent. The one-half percent rate increase will be in effect for 48 months and will provide funding for the Police Station addition and renovation, with any remaining funds going towards street improvements.

In 2020 the City updated its sewer master plan and in 2023 the water master plan was updated. Water and sewer rates are set to fund capital improvements identified in the plans. Water and sewer rates increased 6.5% effective October 1, 2025.

LB 179, passed during the 2025 state legislative session, increases police pension contributions 2%, going from 7% to 9% effective October 1, 2025. LB 686, passed during the 2024 state legislative session, increases fire pension contributions 1% October 1, 2025 and another 1% October 1, 2026.

The City's property tax levy rate for the 2025-2026 budget decreased .015784 per \$100 of valuation.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$11,090,149. The City has appropriated \$2,526,578 of this amount for spending in the 2025-2026 fiscal year budget. This action was taken as a precaution, given that the City budgets conservatively.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 402-844-2000.

CITY OF NORFOLK, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2025

With Summarized Financial Information as of September 30, 2024

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2025	2024
ASSETS				
Cash and Equity in Pooled Investment Account	\$ 41,532,999	\$ 27,644,096	\$ 69,177,095	\$ 60,690,422
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	615,282	2,128,978	2,744,260	3,517,895
Taxes	3,046,284	-	3,046,284	2,183,908
Accrued Interest	483,771	300,045	783,816	940,234
Special Assessments	2,607,446	557,030	3,164,476	3,363,003
Notes	840,394	-	840,394	946,639
Leases	37,263	840,969	878,232	890,309
Settlements	146,010	-	146,010	163,694
TIF Bond	47,736	-	47,736	83,813
Due from Other Governmental Agencies	1,025,476	-	1,025,476	2,209,411
Inventories	64,552	202,857	267,409	249,386
Prepaid Assets	174,079	31,836	205,915	192,233
Net Pension Asset	5,437	-	5,437	26,216
Restricted Assets:				
Cash and Cash Equivalents	-	1,862,559	1,862,559	1,423,507
Capital Assets not Being Depreciated	18,671,952	17,198,534	35,870,486	54,221,300
Capital Assets, Net of Accumulated Depreciation & Amortization	104,637,076	71,477,536	176,114,612	142,197,061
Total Assets	173,935,757	122,244,440	296,180,197	273,299,031
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of Resources Related to Pensions	20,517	-	20,517	21,710
Total Deferred Outflows of Resources	20,517	-	20,517	21,710
LIABILITIES				
Accounts Payable	3,186,515	3,214,327	6,400,842	6,503,236
Unearned Revenue	114,075	12,274	126,349	2,009,406
Accrued Interest Payable	364,978	-	364,978	368,730
Bond Anticipation Notes	4,188,970	-	4,188,970	4,377,940
Payables from Restricted Assets:				
Accrued Revenue Bond Interest	-	361,355	361,355	97,896
Revenue Bonds - Current	-	1,135,000	1,135,000	640,000
Noncurrent Liabilities:				
Due within one year:				
General Obligation Bonds	555,000	-	555,000	540,000
Various Purpose Bonds	560,000	-	560,000	560,000
Leases	2,939	14,618	17,557	35,274
Subscription Liability	140,259	7,968	148,227	206,575
Compensated Absences and Benefits	1,411,664	178,427	1,590,091	1,580,209
Due in more than one year:				
Revenue Bonds Payable	-	25,966,873	25,966,873	10,968,666
General Obligation Bonds	26,252,106	-	26,252,106	26,827,798
Various Purpose Bonds	4,132,720	-	4,132,720	4,701,559
Leases	8,207	60,499	68,706	11,146
Subscription Liability	167,480	16,678	184,158	233,017
Compensated Absences and Benefits	2,143,656	307,639	2,451,295	1,704,115
Total Liabilities	43,228,569	31,275,658	74,504,227	61,365,567
DEFERRED INFLOWS OF RESOURCES				
Lease Related	36,680	775,101	811,781	844,939
Total Deferred Inflows of Resources	36,680	775,101	811,781	844,939
NET POSITION				
Net Investment in Capital Assets	87,689,810	64,647,443	152,337,253	148,134,983
Restricted for:				
Debt Service	7,020,039	1,501,204	8,521,243	7,838,892
Road Projects	8,071,662	-	8,071,662	4,719,422
Community Programs & Services	5,633,115	-	5,633,115	3,477,476
Pensions	5,437	-	5,437	26,216
Unrestricted	22,270,962	24,045,034	46,315,996	46,913,245
Total Net Position	\$ 130,691,025	\$ 90,193,681	\$ 220,884,706	\$ 211,110,234

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025
With Summarized Financial Information for the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Totals	
			Grants and Contributions	Grants and Contributions			2025	2024
Primary Government:								
Governmental Activities:								
General Government	\$ 3,927,018	\$ 1,525,396	\$ 50,300	\$ 75,890	\$ (2,275,432)		\$ (2,275,432)	\$ (407,864)
Public Safety	16,730,611	1,616,598	1,094,830	94,914	(13,924,269)		(13,924,269)	(11,780,470)
Public Works	10,123,945	187,196	4,585,259	2,139,527	(3,211,963)		(3,211,963)	(2,055,618)
Public Library	2,162,643	29,517	13,487	-	(2,119,639)		(2,119,639)	(2,030,533)
Parks and Recreation	6,300,240	603,516	68,415	1,656,797	(3,971,512)		(3,971,512)	(88,818)
Community Improvement and Development	8,065,863	624,725	6,223,350	-	(1,217,788)		(1,217,788)	(1,242,581)
Debt Service	1,261,112	-	-	-	(1,261,112)		(1,261,112)	(1,162,484)
Total Governmental Activities	48,571,432	4,586,948	12,035,641	3,967,128	(27,981,715)		(27,981,715)	(18,768,368)
Business-Type Activities:								
Water Division	3,736,793	4,502,377	-	336,625		1,102,209	1,102,209	1,599,245
Sewer Division	4,771,483	6,819,718	139,425	1,557,542		3,745,202	3,745,202	3,424,260
Solid Waste Division	2,947,471	3,082,208	3,272	-		138,009	138,009	323,365
Stormwater Division	112,227	314,190	-	6,849		208,812	208,812	155,411
Total Business-Type Activities:	11,567,974	14,718,493	142,697	1,901,016		5,194,232	5,194,232	5,502,281
Total Primary Government	\$ 60,139,406	\$ 19,305,441	\$ 12,178,338	\$ 5,868,144	(27,981,715)	5,194,232	(22,787,483)	(13,266,087)
General Revenues:								
Property Taxes					7,061,049	-	7,061,049	7,062,019
Sales Taxes					14,246,924	-	14,246,924	12,332,016
Other Taxes					283,645	-	283,645	284,911
Occupation and Franchise Taxes					890,968	-	890,968	865,510
Interest					1,422,378	997,498	2,419,876	2,602,728
General Intergovernmental Revenues					1,990,556	-	1,990,556	2,416,335
Keno Revenue					755,968	-	755,968	740,713
General Revenue from Electrical Distribution System Lease					4,729,136	-	4,729,136	4,548,557
Gain on Sale of Capital Assets					61,005	-	61,005	32,616
Miscellaneous					117,340	5,488	122,828	303,105
Interfund Transfers					(146,256)	146,256	-	-
Total General Revenues and Transfers					31,412,713	1,149,242	32,561,955	31,188,510
Change in Net Position					3,430,998	6,343,474	9,774,472	17,922,423
Net Position - Beginning					127,260,027	83,850,207	211,110,234	193,187,811
Net Position - Ending					\$ 130,691,025	\$ 90,193,681	\$ 220,884,706	\$ 211,110,234

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA

BALANCE SHEET

Governmental Funds

September 30, 2025

					(Formerly Nonmajor)			
	General	City Highway Allocation	Debt Service	Special Assessments	Community Development Agency	Other Governmental Funds	Total Governmental Funds	
Assets								
Cash and Equity in Pooled Investment Account	\$ 7,016,059	\$ 9,027,416	\$ 6,938,921	\$ 243,031	\$ 425,695	\$ 9,682,409	\$ 33,333,531	
Cash at County Treasurer	1,344,905	-	221,577	-	-	19,433	1,585,915	
Receivables (Net, where applicable, of allowance for uncollectibles)								
Accounts	613,450	-	-	-	-	1,832	615,282	
Taxes	2,989,283	-	25,007	-	-	31,994	3,046,284	
Accrued Interest	100,242	99,373	94,328	7,780	-	103,008	404,731	
Special Assessments	17,122	-	2,590,324	-	-	-	2,607,446	
Notes	-	-	-	-	-	840,394	840,394	
Leases	37,263	-	-	-	-	-	37,263	
Settlements	146,010	-	-	-	-	-	146,010	
TIF Bond	-	-	47,736	-	-	-	47,736	
Due from Other Governmental Agencies	497,515	398,257	-	-	-	129,704	1,025,476	
Inventories	38,468	-	-	-	-	-	38,468	
Prepaid Assets	126,381	-	-	-	-	35,488	161,869	
Total Assets	12,926,698	9,525,046	9,917,893	250,811	425,695	10,844,262	43,890,405	
Liabilities								
Accounts Payable	429,943	1,453,384	-	270,617	-	445,550	2,599,494	
Unearned Revenue	105,907	-	-	-	-	8,168	114,075	
Bond Anticipation Notes	-	-	-	4,188,970	-	-	4,188,970	
Total Liabilities	535,850	1,453,384	-	4,459,587	-	453,718	6,902,539	
Deferred Inflows of Resources								
Unavailable Revenue-Property Taxes	50,959	-	8,773	-	-	234	59,966	
Unavailable Revenue-Loan Repayments	-	-	-	-	-	835,856	835,856	
Unavailable Revenue-Special Assessments	17,122	-	2,476,367	-	-	-	2,493,489	
Unavailable Revenue-Grants	3,270	-	-	-	-	79,864	83,134	
Lease Related	36,680	-	-	-	-	-	36,680	
Unavailable Revenue-TIF Bond	-	-	47,736	-	-	-	47,736	
Unavailable Revenue-Settlements	145,924	-	-	-	-	-	145,924	
Total Deferred Inflows of Resources	253,955	-	2,532,876	-	-	915,954	3,702,785	
Fund Balances (Deficits)								
Non Spendable	164,849	-	-	-	-	35,488	200,337	
Restricted	830,245	8,071,662	7,385,017	-	425,695	5,162,351	21,874,970	
Assigned	51,650	-	-	-	-	4,276,751	4,328,401	
Unassigned	11,090,149	-	-	(4,208,776)	-	-	6,881,373	
Total Fund Balances (Deficits)	12,136,893	8,071,662	7,385,017	(4,208,776)	425,695	9,474,590	33,285,081	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,926,698	\$ 9,525,046	\$ 9,917,893	\$ 250,811	\$ 425,695	\$ 10,844,262	\$ 43,890,405	

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2025

Total Fund Balance - Governmental Funds (page 32)	\$ 33,285,081
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	123,309,028
Internal service fund is used by management to fund and maintain the City's health insurance provided to user departments and is included in the statement of net position.	6,117,783
Unavailable revenues that provide financial resources for governmental activities	3,666,103
Donated land held for resale is not reported in the funds since a sales contract has not been established	26,085
Accrued expenses from the balance sheet that require financial resources for governmental activities	(364,978)
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the funds.	20,517
Net pension asset is not a current financial resource and, therefore, not reported in the funds.	5,437
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(35,374,031)</u>
Total Net Position - Governmental Activities (page 30)	<u><u>\$ 130,691,025</u></u>

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended September 30, 2025

					(Formerly Nonmajor)				
	General	City Highway Allocation	Debt Service	Special Assessments	Community Development Agency	(Formerly Major) Capital Construction	Other Governmental Funds	Total Governmental Funds	
Revenue:									
Taxes	\$ 20,273,972	\$ -	\$ 945,489	\$ -	\$ -	\$ -	\$ 126,557	\$ 21,346,018	
Special Assessments	-	-	475,772	-	-	-	-	475,772	
Licenses and Permits	528,699	-	-	-	-	-	-	528,699	
Intergovernmental Revenue	1,218,954	4,660,329	116,252	-	-	-	3,633,374	9,628,909	
Nongovernmental Grants	37,256	-	-	-	-	-	-	37,256	
Charges for Services	3,672,029	-	-	-	-	-	221,772	3,893,801	
Keno Revenue	755,968	-	-	-	-	-	-	755,968	
Occupation and Franchise Taxes	732,534	-	-	-	-	-	158,433	890,967	
Contributions	153,492	-	-	-	-	-	910,247	1,063,739	
Payments in Lieu of Taxes	239,468	-	40,487	-	-	-	-	279,955	
Parking Fees and Rentals	4,737,281	-	-	-	-	-	-	4,737,281	
Loan Repayments	-	-	-	-	-	-	124,399	124,399	
Interest	206,288	284,990	381,628	3,621	10,651	-	279,965	1,167,143	
TIF Bond Revenue	-	-	-	-	5,961,706	-	-	5,961,706	
Miscellaneous	223,348	-	-	-	-	-	1,359	224,707	
Total Revenue	32,779,289	4,945,319	1,959,628	3,621	5,972,357	-	5,456,106	51,116,320	
Current Expenditures:									
Public Safety	13,517,356	-	-	-	-	-	3,008,526	16,525,882	
Public Works	5,030,839	2,228,715	-	2,066,127	-	-	1,690,222	11,015,903	
Public Library	1,904,801	-	-	-	-	-	-	1,904,801	
Parks and Recreation	4,045,125	-	-	-	-	-	3,136,074	7,181,199	
Community Improvement and Development	1,530,393	-	-	-	5,961,706	-	565,046	8,057,145	
General Government	4,276,403	-	-	-	-	-	328,788	4,605,191	
Debt Service:									
Debt Service	64,253	737,581	1,414,347	182,828	-	-	119,917	2,518,926	
Total Expenditures	30,369,170	2,966,296	1,414,347	2,248,955	5,961,706	-	8,848,573	51,809,047	
Excess (Deficiency) of Revenues Over Expenditures	2,410,119	1,979,023	545,281	(2,245,334)	10,651	-	(3,392,467)	(692,727)	
Other Financing Sources (Uses):									
Information Technology Subscriptions	39,769	-	-	-	-	-	-	39,769	
Insurance Proceeds	26,801	-	-	-	-	-	-	26,801	
Transfers In	165,000	200,000	-	42,275	-	-	3,804,430	4,211,705	
Transfers Out	(3,845,271)	(165,000)	(42,275)	-	-	-	(1,443)	(4,053,989)	
Total Other Financing Sources (Uses)	(3,613,701)	35,000	(42,275)	42,275	-	-	3,802,987	224,286	
Net Change in Fund Balance	(1,203,582)	2,014,023	503,006	(2,203,059)	10,651	-	410,520	(468,441)	
Fund Balances Beginning of Year, as previously reported	13,340,475	6,057,639	6,882,011	(2,005,717)	-	7,030,478	2,448,636	33,753,522	
Change within the Reporting Entity	-	-	-	-	415,044	(7,030,478)	6,615,434	-	
Fund Balances Beginning of Year, as adjusted	13,340,475	6,057,639	6,882,011	(2,005,717)	415,044	-	9,064,070	33,753,522	
Fund Balances End of Year	\$ 12,136,893	\$ 8,071,662	\$ 7,385,017	\$ (4,208,776)	\$ 425,695	\$ -	\$ 9,474,590	\$ 33,285,081	

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds (page 34) \$ (468,441)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 10,195,456	
Depreciation expense	<u>(6,024,458)</u>	4,170,998

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and donations).	(156,840)
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Revenues in the statement of activities that are not available to provide current financial resources	(1,450,779)
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Accrued interest expense that does not require current financial resources	3,752
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Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:	(662,412)
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Pension expenses reported in the statement of activities do not require the use of current financial resources.	(21,972)
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Internal service fund is used by management to fund the City's group health insurance provided to user departments and is included in the statement of net position. The net revenue of the internal service fund is reported with governmental activities.	768,373
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The issuance of indebtedness provides current financial resources to the governmental funds without affecting net position. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt for the year was:

Subscriptions	<u>(39,769)</u>	(39,769)
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The effect of bond premiums and deferred refunding charges when new debt is issued, whereas, these amounts are deferred and amortized in the statement of activities	29,530
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on long-term debt. The principal paid on long-term debt during the current year was:

Bonded debt	1,100,000	
Leases	19,313	
Subscriptions	<u>139,245</u>	<u>1,258,558</u>

Change in net position of governmental activities (page 31)	<u>\$ 3,430,998</u>
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CITY OF NORFOLK, NEBRASKA

STATEMENT OF NET POSITION

Proprietary Funds

September 30, 2025

	Business Type Activities Combined Utilities	Governmental Activities Internal Service
ASSETS		
Current Assets:		
Cash and Equity in Pooled Investment Account	\$ 27,644,096	\$ 6,613,553
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	2,128,978	-
Accrued Interest	300,045	79,040
Special Assessments	557,030	-
Leases	840,969	-
Restricted Cash		
Cash and Cash Equivalents	1,486,996	-
Inventories	202,857	-
Prepaid Assets	31,836	12,210
Total Current Assets	<u>33,192,807</u>	<u>6,704,803</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	375,563	-
Capital Assets:		
Land	3,406,994	-
Construction in Progress	13,791,540	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation & Amortization	71,477,536	-
Total Noncurrent Assets	<u>89,051,633</u>	<u>-</u>
Total Assets	<u>122,244,440</u>	<u>6,704,803</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,214,327	587,020
Unearned Revenue	12,274	-
Accrued Compensated Absences	178,427	-
Leases - Current	14,618	-
Subscription Liability - Current	7,968	-
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	361,355	-
Revenue Bonds - Current	1,135,000	-
Total Current Liabilities	<u>4,923,969</u>	<u>587,020</u>
Noncurrent Liabilities:		
Due in more than one year:		
Leases	60,499	-
Subscription Liability	16,678	-
Revenue Bonds Payable	25,966,873	-
Compensated Absences and Benefits, Long-Term	307,639	-
Total Noncurrent Liabilities	<u>26,351,689</u>	<u>-</u>
Total Liabilities	<u>31,275,658</u>	<u>587,020</u>
DEFERRED INFLOW S OF RESOURCES		
Lease Related	775,101	-
Total Deferred Inflows of Resources	<u>775,101</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	64,647,443	-
Restricted for:		
Debt Covenants	1,501,204	-
Unrestricted	24,045,034	6,117,783
Total Net Position	<u>\$ 90,193,681</u>	<u>\$ 6,117,783</u>

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Proprietary Funds

For the Year Ended September 30, 2025

	Business Type Activities Combined Utilities	Governmental Activities Internal Service
Operating Revenues:		
Charges for Services	\$ 14,625,157	\$ 5,830,363
Rental Income	93,336	-
Miscellaneous Income	5,488	-
Total Operating Revenue	14,723,981	5,830,363
Operating Expenses:		
Payroll and Related Taxes and Benefits	3,407,209	-
Purchased Services	932,385	-
General and Administration	2,502,098	5,317,223
Repairs and Maintenance	1,645,005	-
Utilities	668,451	-
Depreciation and Amortization	1,914,262	-
Total Operating Expenses	11,069,410	5,317,223
Operating Income	3,654,571	513,140
Non-Operating Income (Expense):		
Intergovernmental Revenue	1,175,208	-
Interest Income	997,498	255,233
Gain (Loss) on Disposal of Capital Assets	9,593	-
Insurance Proceeds	139,425	-
Interest on Bonds and Other Debt	(508,158)	-
Total Non-Operating Income (Expenses)	1,813,566	255,233
Income before Contributions and Transfers	5,468,137	768,373
Capital Contributions	1,033,053	-
Transfers (Out)	(157,716)	-
Change in Net Position	6,343,474	768,373
Net Position - Beginning of Year	83,850,207	5,349,410
Net Position - End of Year	\$ 90,193,681	\$ 6,117,783

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended September 30, 2025

	Business Type Activities Combined Utilities	Governmental Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 14,822,780	\$ 5,830,364
Cash Paid to Suppliers for Goods and Services	(5,547,254)	(5,134,163)
Cash Paid to Employees for Services	(3,312,559)	-
Net Cash Provided by Operating Activities	<u>5,962,967</u>	<u>696,201</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Grants	3,272	-
Transfers (to) Other Funds	(157,716)	-
Net Cash (Used) for Noncapital Financing Activities	<u>(154,444)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(9,818,489)	-
Capital Grants and Contributions	572,528	-
Bond Proceeds	16,183,198	-
Interest on Leases Receivable	26,716	-
Principal on Leases Receivable	11,648	-
Proceeds from the Sales of Assets	9,593	-
Insurance Proceeds	139,425	-
Principal Paid on Capital Debt	(663,693)	-
Interest Paid on Capital Debt	(294,690)	-
Net Cash Provided by Capital and Related Financing Activities	<u>6,166,236</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	<u>921,525</u>	<u>257,251</u>
Net Cash Provided by Investing Activities	<u>921,525</u>	<u>257,251</u>
 Net Increase in Cash and Cash Equivalents	 12,896,284	 953,452
Cash and Cash Equivalents at Beginning of Year	<u>16,610,371</u>	<u>5,660,101</u>
Cash and Cash Equivalents at End of Year	<u>\$ 29,506,655</u>	<u>\$ 6,613,553</u>

(Continued)

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended September 30, 2025

	Business Type Activities Combined Utilities	Governmental Activities Internal Service
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 3,654,571	\$ 513,140
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,914,262	-
(Increase) Decrease in Assets:		
Accounts Receivable	130,753	-
Special Assessments	516	-
Prepaid Assets	(3,765)	(12,210)
Increase (Decrease) in Liabilities:		
Accounts Payable	204,449	195,271
Accrued Compensated Absences	94,650	-
Deferred Inflows of Resources	(32,469)	-
Total Adjustments	2,308,396	183,061
Net Cash Provided by Operating Activities	\$ 5,962,967	\$ 696,201

Supplemental Schedule of Noncash Capital and Related Financing Activities:

Contribution of Distribution System Assets	\$ 955,935	\$ -
Accounts Payable Exchanged for Capital Assets	2,736,497	-
Right-to-use Lease Asset Aquired Through Contract	75,117	-

Reconciliation of Cash and Cash Equivalents to the Balance Sheet:

Cash and Equity in Pooled Investment Account	\$ 27,644,096	\$ 6,613,553
Restricted Cash - Current	1,486,996	-
Restricted Cash - Noncurrent	375,563	-
	\$ 29,506,655	\$ 6,613,553

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds
September 30, 2025

	Pension Trust Funds Employee Retirement Funds	Custodial Fund Community Development Agency
ASSETS		
Current Assets:		
Cash	\$ -	\$ 1,401,453
Cash at County Treasurer	-	139,511
Guaranteed Insurance Contracts Managed by Trustee	9,540,844	-
Open Ended Mutual Funds Managed by Trustee	52,975,333	-
Taxes Receivable	-	44,079
Total Current Assets	62,516,177	1,585,043
LIABILITIES		
Current Liabilities:		
Due to Bondholders	-	1,585,043
Total Current Liabilities	-	1,585,043
FIDUCIARY NET POSITION		
Restricted for Pensions	\$ 62,516,177	\$ -

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended September 30, 2025

	Pension Trust Funds Employee Retirement Funds	Custodial Fund Community Development Agency
ADDITIONS		
Contributions:		
Employer	\$ 1,332,031	\$ -
Employee	1,713,599	-
Total Contributions	<u>3,045,630</u>	<u>-</u>
Property Taxes	-	2,170,174
Investment Income:		
Interest, Dividends and Market Gain	<u>6,225,734</u>	<u>26,063</u>
Total Additions	<u>9,271,364</u>	<u>2,196,237</u>
DEDUCTIONS		
Pension Benefits	8,889,505	-
Contribution Refunds	380,666	-
Administrative Costs	8,754	-
Taxes Distributed or Owed to Bondholders	<u>-</u>	<u>2,196,237</u>
Total Deductions	<u>9,278,925</u>	<u>2,196,237</u>
Change in Net Position	(7,561)	-
Fiduciary Net Position -- Beginning of Period	<u>62,523,738</u>	<u>-</u>
Fiduciary Net Position -- End of Period	<u><u>\$ 62,516,177</u></u>	<u><u>\$ -</u></u>

See Accompanying Notes to Financial Statements

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Norfolk, Nebraska is a political subdivision of the state of Nebraska located in Madison County. The City operates under the mayor-council form of government with the mayor and council members elected on a nonpartisan basis. The City administers the following programs as authorized by its charter: General Government, Public Library, Public Works, Public Safety, Parks and Recreation and Community Improvement and Development. It also provides municipal utility services including: water, sewer, solid waste and stormwater.

The City's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

For financial reporting purposes, the City of Norfolk, Nebraska, has included all funds, organizations, agencies, boards, commissions and authorities. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Any discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City currently has no component units which meet the criteria to be reported as discretely presented component units.

Blended Component Units

Community Development Agency (CDA)

The CDA is included in the City's reporting entity as a blended component unit because of the significance of its operational and financial relationships with the City. To provide for redevelopment of various blighted areas within the City, the Mayor and Council created the CDA. Members of the CDA consist of the Mayor and City Council with the Mayor serving as Chairman. Officers of the CDA are also officers of the City. Although it is legally separate from the City, the CDA is reported as if it were part of the primary government because its sole purpose is to provide redevelopment of various areas within the City. The City has operational responsibility for the CDA. The CDA does not issue separate financial statements, and is included within the City's financial statements as a fiduciary custodial fund.

City of Norfolk Facilities Corporation (NFC)

In 2011 the City created the City of Norfolk Facilities Corporation, a not-for-profit corporation under the laws of the State of Nebraska, for the purpose of assisting and promoting the development of public facilities to be used by the City in the furtherance of its governmental functions. The governing body is appointed by the City's governing body. The NFC provides services entirely to the City. The services provided by the NFC are so intertwined with the City that it is in substance the same as the City and is reported as part of the City and blended in the City's financial statements. The NFC does not issue separate financial statements.

Joint Venture – Northeast Nebraska Solid Waste Coalition (NNSWC)

The City, in conjunction with other cities and counties in Northeast Nebraska, has created the NNSWC. The NNSWC's Board is composed of a member from each of the participating cities and counties. The purpose of the NNSWC is to provide solid waste management by means of building and operating a solid waste disposal facility, commonly referred to as a landfill. The NNSWC landfill began operation on October 30, 1995. The City does not have an equity interest in the NNSWC. The NNSWC issues its own financial statements, available upon request at 309 North 5th Street in Norfolk, Nebraska.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Entities

Norfolk Housing Agency

The Norfolk Housing Agency is governed by a seven member board which is appointed by the Mayor and City Council. The mission of the Norfolk Housing Agency is to provide decent, safe and quality housing to Norfolk's low to moderate-income families and to assist in providing improved housing in a responsible way with social awareness and community needs a constant goal and commitment. In addition to owning and operating Meadow Ridge Estates L.P., they also offer Section 8 Rental Assistance Program, Royal Oaks Estate rent-to-own homes and Boulevard Village income-based apartments for age 62+. The Norfolk Housing Agency issues its own financial statements, which are available upon request from its offices at 1310 West Norfolk Avenue Suite D in Norfolk Nebraska.

Norfolk Airport Authority

The Norfolk Airport Authority is governed by a five member board. The amount of property tax that the Airport Authority can levy must be approved by the Mayor and City Council. The Norfolk Airport Authority issues its own financial statements, which are available upon request from its offices at 4100 South 13th Street in Norfolk Nebraska.

B. Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the overall City) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primarily activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects and internal service funds are classified as governmental activities. Fiduciary funds are excluded from the government-wide financial statements.

In the government-wide Statement of Net Position, both the governmental and business type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual basis of accounting using the economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, parks and recreation, community improvement and development, general government, etc.) and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenue, operating grants, and capital grants. Program revenue must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The City does not allocate indirect costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and other charges between the government's combined utilities function and various other functions of the government.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows of resources, fund balance, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add funds, as major funds, which have a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

The City reports the following major governmental funds:

Governmental Fund Types – The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- 1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, state allocations, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, parks and recreation, public safety, public works, housing, public libraries and planning, permits and health.

- 2) Special Revenue Funds

City Highway Allocation Fund – To account for the City's share of motor vehicle fuel tax revenues that are legally restricted to street expenditures.

- 3) Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the payment of general obligation bond, principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

- 4) Capital Project Funds

Special Assessments Fund – To account for the construction of infrastructure capital assets financed through the creation of special assessment districts.

Community Development Agency – To account for the construction of capital assets financed by the issuance of tax increment financing bonds by the Community Development Agency of the City of Norfolk.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are similar to those applicable to businesses in the private sector.

- 1) Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City includes the following utilities within its combined utilities fund:

Water Division – The water division accounts for the operation of a municipally owned water system, which provides services to the residents of the City.

Sewer Division – The sewer division accounts for the operation of a municipally owned sewage collection, which provides services to the residents of the City.

Solid Waste Management Division – The solid waste management division accounts for the operations of the City's solid waste transfer station.

Stormwater Division – The stormwater division accounts for compliance with federally mandated stormwater regulations to protect water quality.

- 2) Internal Service Fund – The Internal Service Fund is used to account for the operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The City's internal service fund is presented in the proprietary fund financial statements. Because the principal user of the internal service is the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of this service is reported in the appropriate functional activity.

Group Insurance Fund- The Group Insurance Fund is used to account for the accumulation of resources used to fund claims under the City's self-insured health and dental plans.

Fiduciary Fund Types – These funds account for assets held by the government in a trustee's capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 1) Pension Trust Funds – The Pension Trust Funds represent the resources accumulated for pension benefit payments to qualified City employees. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, so that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City includes the firefighter, police, civilian, and 457 deferred compensation retirement funds in its combined retirement fund.
- 2) Custodial Fund – The Community Development Agency Fund is used to account for the resources for payment of principal and interest on tax increment financing bonds issued by the Community Development Agency of the City of Norfolk. These bonds were issued to provide the long-term financing for redevelopment of various blighted and substandard areas around the City of Norfolk. These bonds are payable only from real estate taxes on certain property located within these plan areas and do not constitute general obligations of the Agency or the City. This fund is accounted for on the economic resources measurement focus and uses the accrual basis of accounting. No further action, approval or condition is required to be taken or met by the bondholder to receive bond payments and therefore no net position is reported.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes, special assessments, and loan repayments as available if they are collected within 60 days after year-end. The City considers sales and use taxes and gasoline taxes as available when in the hands of the State of Nebraska, the intermediary collecting government. The City normally collects these taxes within 30 days of year-end.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, including lease and subscription liabilities, if any, is recognized when due.

Budgetary basis of accounting is used by the general fund and all major special revenue funds in the required supplementary information section of the annual comprehensive financial report. Under the budgetary basis of accounting, revenues are recognized when received and expenditures are recognized when paid.

Those revenues susceptible to accrual are taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Fund Balance/Net Position

1. Pooled Investment Account – The City maintains a commingled pool of cash and investments for all funds, except the Community Development Agency. This pool is under the management of the City Treasurer. Each of the applicable City funds reports its undistributed interest in the principal balance of this pooled investment account, which is recorded at cost. Interest income received is allocated to each fund based on its proportionate interest in the pool.
2. Short-Term Interfund Receivables/Payables – During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, 2025, balances of interfund amounts payable or receivable have been recorded. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.
3. Proprietary Fund Types – Contributions of capital assets are treated as revenue and capital assets. Contributions and grants received for operating purposes are included in revenues when earned.
4. Governmental Fund Types – Contributions and grants for both capital and operating purposes are included in revenues when earned.
5. Estimated Unbilled Enterprise Revenue – Within the City's enterprise fund, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year involved. The receivable was arrived at by taking the cycle billings the City sent the customer in October and November and prorating the amount of days applicable to the current year. This unbilled revenue totaled \$1,160,142 at September 30, 2025.
6. Inventories and Prepaid Items – Purchases of materials and supplies are recorded as expenditures as incurred except for items (e.g. fuel and certain office supplies) held in central storage for the use of several of the City's funds. Inventories held in central storage are valued at cost, which approximates market, using the first-in/first-out (FIFO) method are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.
7. Restricted Assets – Proceeds from debt and funds set aside for payment of enterprise fund revenue bonds are classified as restricted assets since their use is limited by applicable bond indentures.
8. Property and Equipment – Assets with an initial individual cost of \$5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in Note 1.F.12 and 13.). Contributed assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated cost beginning in 1980 as required by GASB 34. Depreciation/amortization

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	40 – 50 Years
Utility Plant	20 – 100 Years
Right-to-Use Lease Assets	5 – 15 Years
Right-to-Use Subscription Assets	3 – 15 Years
Machinery & Equipment	3 – 25 Years
Infrastructure	30 – 100 Years

9. Accrued Compensated Absences – These amounts represent the unpaid vacation costs and related employee benefits as of the end of the period. All compensated amounts for governmental and proprietary fund types are accrued as liabilities on the government-wide statement for governmental funds and applicable enterprise funds respectively and are not recorded as expenditures of the current reporting period for governmental fund types because they do not represent amounts that are expected to be liquidated with expendable available financial resources. Other long-term obligations are recognized as fund liability when amounts are due and payable rather than when amounts are expected to be liquidated with expendable available financial resources. A liability is recognized for vested sick leave and a portion of non-vested sick leave amounts that are more likely than not to be used for time off or paid. The additions and retirements of the liability are shown net in Note 9. The compensated absence liability has been computed based on rates of pay in effect at September 30, 2025.
10. Long-Term Obligations – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. Other long-term obligations (e.g. compensated absences, claims and judgments, etc.) are recognized as fund liabilities when amounts are due and payable. Bond Anticipation Notes are recognized as fund liabilities prior to the long-term financing being issued. The remaining portion of such obligations is reported in the government-wide financial statement. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in the combined utility fund.
11. Net Position/Fund Balances – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets- This category groups all capital, lease assets and subscription assets, including Infrastructure, into one component of net position. Accumulated depreciation and amortization, outstanding balances of debt, subscriptions, leases and accounts payable that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also are included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted Net Position- This category represents net position of the City with external restrictions imposed by creditors, grantors, contributors, or laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City not restricted for any purpose.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balances of governmental funds are defined as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes pursuant to ordinances adopted by formal action of the Mayor and Council. Amendments or modifications of the commitments must also be approved by ordinances adopted by the Mayor and Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes as determined by the City's Finance Officer or his or her designee. Resolution 2011-43 adopted by the Mayor and Council on October 31, 2011 authorizes the City's Finance Officer or his or her designee to determine assigned amounts. General Fund amounts that are encumbered by departments are classified as assigned.

Unassigned – all other amounts remaining after allocation to the non-spendable, restricted, committed and assigned fund balances. These amounts can be used for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to these purposes, it may be necessary to report a negative unassigned fund balance in that fund. When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

12. Leases – The City is a lessee for noncancellable leases of assets. A lease liability and an intangible right-to-use lease asset are recognized in the government-wide and proprietary fund financial statements. Lease liabilities with an initial individual value of \$5,000 or more are recognized. At the commencement of a lease, the lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for noncancellable leases of assets. A lease receivable and deferred inflow of resources are recognized in the government-wide and governmental fund financial statements. At the commencement of a lease, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City uses the rate stated in the lease

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

agreement as the discount rate for leases. If no rate is stated, the City uses its estimated incremental borrowing rate.

13. Subscription Based Information Technology Arrangements (SBITAs) – The City is committed under various service-based IT arrangements. A subscription liability and an intangible right-to-use subscription asset are recognized in the government-wide and proprietary fund financial statements. Subscription liabilities with an initial individual value of \$5,000 or more are recognized. At the commencement of the subscription term, the liability is measured at the present value of payments expected to be made during the subscription term. Subsequently the liability is reduced by the principal portion of the subscription payments made. The subscription asset is measured as the initial amount of the liability, adjusted for any payments made at or before the subscription commencement date. Subsequently the subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. Subscription assets are reported with other capital assets.
14. Bond Premium/Discounts – Bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method.
15. Property Taxes – Real estate taxes are levied on October 15 of each year and may be paid in two equal installments. These taxes are due December 31. The first and second half of the taxes become delinquent on the following May 1 and September 1, respectively. Real estate taxes collected within 60 days after year-end are recognized as revenues in accordance with the revenue recognition policy described in Note 1.D. Real estate taxes become a lien against the property on the levy date. Personal property taxes are levied on October 15 of each year and are due November 1 of each year and may be paid in two equal installments. The first and second half of the taxes become delinquent on December 1 and July 1, respectively. Motor vehicle taxes are due when an application is made for registration of a motor vehicle.
16. Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.
17. Encumbrances – Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the City in its governmental funds; the subsequent year's appropriation provides authority to complete these transactions as expenditures. Encumbrances at year-end do not constitute expenditures or liabilities. See Note 13 for current year encumbrances.

G. Landfill Closure Costs

The City is not currently responsible for any landfill closure or post-closure care costs.

H. Statement of Cash Flows

As described in Note 2.A., the City maintains a cash and investment pool for all funds except the Community Development Agency. The funds use their equity in the pooled investment account as a demand deposit account and, for purposes of the statements of cash flows, the interest in the pooled investment account is considered cash. Restricted cash consists of equity in the pooled investment

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

account that is also considered cash for the Statement of Cash Flows.

I. Recent Accounting Pronouncements:

Adoption of New Accounting Pronouncements

During the year, the City adopted two GASB Statements. Statement No. 101 *Compensated Absences* aims to better meet information needs of financial statements by updating the recognition and measurement guidance for compensated absences. In addition to recognizing a liability for unused vacation benefits and vested sick leave, the City started recognizing a portion of non-vested sick leave amounts that are more likely than not to be used or paid. Although GASB 101 requires retrospective application, the adoption of this new standard did not have a material impact on beginning net position. Statement No. 102 *Certain Risk Disclosures* provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this standard did not have an impact on the City's financial statements.

New Accounting Pronouncements Not Yet Adopted

In April 2024, GASB issued Statement No. 103 *Financial Reporting Model Improvements*. This statement aims to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In September 2024, GASB Issued Statement No. 104 *Disclosure of Certain Capital Assets*. This statement's objective is to provide users of government financial statements with essential information about certain types of capital assets. These statements will be effective for the City's year ending September 30, 2026.

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT

A. Cash and Pooled Investments:

At September 30, 2025, the City's cash and pooled investments consisted of the following:

Cash, principally in interest bearing accounts (at cost)	\$ 8,359,578
Money Market Account (at cost)	10,015,887
Certificates of Deposit (Cost = Fair Value)	42,739,692
United States Treasury (Cost, which approximates Fair Value)	9,924,497
	<u>\$ 71,039,654</u>

The City maintains a cash and investment pool for all funds, except the Community Development Agency. This pool is under management of the City Treasurer. Each of the applicable City funds reports its undistributed interest in the pooled investment account. A separate bank account is used to track program income in the Community Development Block Grant Fund. Statutes authorize the City to invest City funds in direct obligations of the U.S. Government, selected Federal Agency securities, certain state and local obligations of the State of Nebraska, collateralized bank certificates of deposit and certain other high-grade investments. City policy is to limit these investments to U.S. Treasury obligations and fully, collateralized bank certificates of deposits with maximum maturities of approximately one year. At September 30, 2025, and throughout the year, the City's bank deposits, including certificates of deposit, were entirely covered by federal deposit insurance or by collateral held in joint custody in the City's name at third party banks acting as the City's agent (in most cases Federal Reserve Banks). The City's agent in the City's name held U.S. Treasury obligations in sufficient amounts to fully collateralize the city's interest-bearing accounts and collateralized certificates of deposits.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT (CONTINUED)

B. Investments Managed by Trustee:

The City acts as the Trustee for the Pension Trust Funds and has delegated administration for the plan assets to an insurance company. Plan participants are able to invest their assets in a variety of investment options, which are selected, and can be modified, by the City. For investment purposes, certain pension assets are pooled with the general assets of the insurance company and invested in guaranteed insurance accounts.

Under this arrangement, the insurance company guarantees the City a minimum rate of return. If the rate of return on the general assets of the insurance company exceeds the guaranteed rate of return, the City's investments are credited with the actual rate of return. These guaranteed insurance contracts are not marketable. Any withdrawals from these accounts are at cost plus accumulated earnings and these insurance contracts are valued on that basis. At September 30, 2025, \$9,540,844 was held in these guaranteed insurance contracts. The other pension assets are invested in open-ended mutual funds, which are stated at net asset value, and, at September 30, 2025, amounted to \$52,975,333. As the mutual funds are open-ended, they are not subject to credit risk disclosures. Additionally, the funds are redeemable immediately and are thus not subject to interest rate risk.

C. Restricted Assets:

The following schedule details the restricted assets at September 30, 2025:

	Enterprise Fund
Pursuant to revenue bond ordinances:	
Revenue bond account	\$ 980,559
Operation and maintenance account	882,000
	<u>\$ 1,862,559</u>

Restricted cash is recorded at cost, which approximates fair value, and consists of equity in the pooled investment account in the form of interest-bearing accounts held by the City's agent in the City's name.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not recover the value of its investment securities that are in the possession of an outside party.

Interest Rate Risk: The City's investment policy for operating funds is limited to certificates of deposit with a maturity of 1 year or less.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City uses outside investment advisors to monitor investments to minimize the impact of credit risk.

Concentration of Credit Risk: The City's investment policy places no limits on the amounts that may be invested in any one issuer.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 3 – RECEIVABLES

Receivables at September 30, 2025, are net of allowance for uncollectibles. The allowance for uncollectibles in the General Fund was \$348,000 at September 30, 2025.

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 2025, there were no short-term payables.

As of September 30, 2025, there were no long-term advances.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance October 1, 2024	Additions	Deletions	Transfers	Balance September 30, 2025
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,438,880	\$ 1,204,245	\$ 4,145	\$ -	\$ 10,638,980
Construction in Progress	39,165,040	6,992,118	38,124,186	-	8,032,972
Total capital assets not being depreciated	48,603,920	8,196,363	38,128,331	-	18,671,952
Capital assets being depreciated/amortized:					
Right-to-use lease land	21,971	-	-	-	21,971
Buildings and improvements	34,354,632	7,491,860	77,728	-	41,768,764
Right-to-use lease buildings and improvements	70,166	-	70,166	-	-
Equipment, furniture and fixtures	18,656,082	1,937,730	1,269,348	(24,664)	19,299,800
Right-to-use subscription asset	671,665	132,753	127,085	-	677,333
Infrastructure	85,446,524	30,565,081	-	-	116,011,605
Total capital assets being depreciated/amortized	139,221,040	40,127,424	1,544,327	(24,664)	177,779,473
Less: Accumulated depreciation/amortization for:					
Right-to-use lease land	8,238	2,837	-	-	11,075
Buildings and improvements	14,295,090	1,277,303	76,266	-	15,496,127
Right-to-use lease buildings and improvements	53,743	16,423	70,166	-	-
Equipment, furniture and fixtures	12,362,419	1,334,778	1,119,192	(24,664)	12,553,341
Right-to-use subscription asset	128,124	167,387	121,863	-	173,648
Infrastructure	41,682,476	3,225,730	-	-	44,908,206
Total accumulated depreciation/amortization	68,530,090	6,024,458	1,387,487	(24,664)	73,142,397
Total capital assets being depreciated/amortized, net	70,690,950	34,102,966	156,840	-	104,637,076
Governmental activities capital assets, net	\$ 119,294,870	\$ 42,299,329	\$ 38,285,171	\$ -	\$ 123,309,028

Construction in progress at September 30, 2025 for the governmental activities consisted of costs associated with Sculpture, Safe Streets, 25th St from Benjamin to Eisenhower Avenue Reconstruction, Norfolk Police Facility Renovation, Illuminate Riverpoint District, Various Assessment Districts, Park Improvements and Levee Repairs.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2024	Additions	Deletions	Transfers	Balance September 30, 2025
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 3,406,994	\$ -	\$ -	\$ -	\$ 3,406,994
Construction in Progress	2,210,386	11,791,895	210,741	-	13,791,540
Total capital assets not being depreciated	5,617,380	11,791,895	210,741	-	17,198,534
Capital assets being depreciated/amortized:					
Right-to-use lease land	63,665	75,117	63,665	-	75,117
Buildings and improvements	31,655,079	48,006	-	-	31,703,085
Equipment, furniture and fixtures	35,566,362	417,521	121,308	24,664	35,887,239
Right-to-use subscription assets	48,530	-	-	-	48,530
Infrastructure	42,450,569	1,345,043	-	-	43,795,612
Total capital assets being depreciated/amortized:	109,784,205	1,885,687	184,973	24,664	111,509,583
Less: Accumulated depreciation/amortization for:					
Right-to-use lease land	49,825	15,718	63,665	-	1,878
Buildings and improvements	22,322,776	655,125	-	-	22,977,901
Equipment, furniture and fixtures	8,254,310	492,239	121,308	24,664	8,649,905
Right-to-use subscription assets	10,784	8,088	-	-	18,872
Infrastructure	7,640,399	743,092	-	-	8,383,491
Total accumulated depreciation/amortization	38,278,094	1,914,262	184,973	24,664	40,032,047
Total capital assets being depreciated/amortized, net	71,506,111	(28,575)	-	-	71,477,536
Business-type activities capital assets, net	\$ 77,123,491	\$ 11,763,320	\$ 210,741	\$ -	\$ 88,676,070

Construction in progress at September 30, 2025 for the business-type activities consisted of costs associated with West Water Treatment Plant Improvements, Collector Well #14, Hwy 275 Lift Station Upgrade, 2MG Treated Water Storage Tank, Water and Sewer Line Improvements, Water Pollution Control Plant Upgrades, and Wetland Mitigation Bank.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 161,279
Public Safety	1,075,438
Public Works	3,192,892
Parks and Recreation	1,373,281
Public Library	213,147
Community Improvement and Development	8,421
Total depreciation and amortization - governmental	<u>\$ 6,024,458</u>

Business-Type Activities:

Solid Waste Management	\$ 360,951
Water	748,842
Sewer	804,469
Total depreciation and amortization - business-type	<u>\$ 1,914,262</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 10,638,980	\$ 3,406,994
Construction in Progress	8,032,972	13,791,540
Capital Assets (Net of Accumulated Depreciation and Amortization)	104,637,076	71,477,536
Unspent Bond Proceeds for Capital Assets	1,048,061	5,909,506
Less: General Obligation Bonds Payable	26,807,106	-
Various Purpose Bonds Payable	4,692,720	-
Bond Anticipation Notes	4,188,970	-
Revenue Bonds Payable	-	27,101,873
Leases	11,146	75,117
Subscriptions	307,739	24,646
Accounts Payable for Capital Assets	659,598	2,736,497
	<u>\$ 87,689,810</u>	<u>\$ 64,647,443</u>

NOTE 6 – LEASES

The City has leases in effect during the year to lease out space on its communications tower, space above a street, and land at the west water treatment plant. The City recognized \$34,023 in lease revenue and \$27,367 in interest revenue during the current year related to leases. Of the lease revenue \$865 was from a variable payment and was not included in the original measurement of the lease receivable. The City has a lease agreement with Nebraska Public Power District to lease the City-owned electrical distribution system. The lease is strictly variable with the City receiving 12% of system revenues. During the current year the City recognized \$4,729,136 in lease revenue from this variable lease.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 6 – LEASES (CONTINUED)

During the current year the City renewed its lease agreement for land used for application of WPC biosolids. It is a five-year lease and the City will make payments of \$16,000 annually. An initial lease liability of \$75,117 was recorded in the current year. The City has lease agreements for land south of Norfolk where the entrance sign is located and land east of Norfolk where the entrance sign is located. The lease of a digital sign used for advertising ended during the year. The value of the right-to-use assets at the end of the current year by asset class is: land \$97,088 with accumulated amortization of \$12,953.

Future principal and interest lease payments as of September 30, 2025 were as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 17,557	\$ 1,465	\$ 19,022
2027	15,853	1,452	17,305
2028	16,238	1,107	17,345
2029	16,630	754	17,384
2030	17,039	387	17,426
2031	1,446	23	1,469
2032	1,500	12	1,512
	<u>\$ 86,263</u>	<u>\$ 5,200</u>	<u>\$ 91,463</u>

NOTE 7 – SBITAs

During the current year the City has renewed its recreation management software and entered into an agreement for city-wide software licenses. The subscription for recreation management software term ends June 2028 and the City will make payments of \$13,781 annually. A subscription liability of \$39,769 was recorded in the current year. The city-wide software licenses subscription terms end October 2027 and October 2029. No subscription liability was recorded in the current year since the entire amount was paid at the beginning of the subscription term. The City entered into a commitment for integrated library system software. A prepayment of \$12,075 has been made and payments totaling \$42,330 are remaining to be made, however the software has not yet been placed in service by the City, thus a subscription liability is not reflected in the City's Financial Statements as of September 30, 2025. The City has a SBITA for aerial imagery software. The existing integrated library system software agreement ended during the year. The value of the right-to-use subscription assets at the end of the current year is \$725,863 with accumulated amortization of \$192,520.

Future principal and interest subscription payments as of September 30, 2025 were as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 148,227	\$ 12,812	\$ 161,039
2027	90,721	5,413	96,134
2028	93,437	2,699	96,136
	<u>\$ 332,385</u>	<u>\$ 20,924</u>	<u>\$ 353,309</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 8 – BOND ANTICIPATION NOTES

Changes in bond anticipation notes for the period ended September 30, 2025 were as follows:

	Balance October 1, 2024		Additions		Retirements		Balance September 30, 2025
Governmental Activities:							
Bond Anticipation Notes 3.80% to 4.125%, matures September 2026	\$ 4,390,000	\$	-	\$	195,000	\$	4,195,000
Note Issuance premium/discount	(12,060)		-		(6,030)		(6,030)
Total Governmental Activities	\$ 4,377,940	\$	-	\$	188,970	\$	4,188,970

The City's intent is to issue permanent financing to replace the outstanding bond anticipation notes prior to maturity after the special assessment districts are assessed and the first payments from the benefited property owners have been received. Bond anticipation notes principal and interest payment requirements in fiscal year 2025-2026 are \$4,195,000 and \$171,532 respectively.

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

	Balance October 1, 2024		Additions		Retirements		Balance September 30, 2025	Due Within One Year
Governmental Activities:								
General obligation bonds (excluding special assessment bonds) 0.50% to 4.50%, various maturities through 2044	\$ 27,010,000	\$	-	\$	505,000	\$	26,505,000	\$ 520,000
General obligation direct placements 2.14% to 2.99%, mature in 2031	255,000		-		35,000		220,000	35,000
Bond issuance premium/discount	102,798		-		20,692		82,106	-
Total General Obligation	27,367,798		-		560,692		26,807,106	555,000
Special assessment bonds, with City commitment, 0.85% to 5.00%, various maturities through 2041	5,170,000		-		520,000		4,650,000	520,000
Special assessment direct placements, with City commitment, 1.99%, mature in 2026	80,000		-		40,000		40,000	40,000
Bond issuance premium/discount	11,559		-		8,839		2,720	-
Total Special Assessments	5,261,559		-		568,839		4,692,720	560,000
Lease	30,459		-		19,313		11,146	2,939
Subscription liability	407,214		39,769		139,244		307,739	140,259
Accrued compensated absences	2,892,908		662,412		-		3,555,320	1,411,664
Total Governmental Activities	\$ 35,959,938	\$	702,181	\$	1,288,088	\$	35,374,031	\$ 2,669,862

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Business Type Activities:	Balance October 1, 2024	Additions	Retirements	Balance September 30, 2025	Due Within One Year
Business Type Activities:					
Revenue Bonds, 2.00% to 5.00%, various maturities through 2045	\$ 11,550,000	\$ 16,000,000	\$ 640,000	\$ 26,910,000	\$1,135,000
Bond Issuance Premium/Discount	58,666	183,198	49,991	191,873	-
Total Revenue Bonds	11,608,666	16,183,198	689,991	27,101,873	1,135,000
Leases	15,961	75,117	15,961	75,117	14,618
Subscription liability	32,378	-	7,732	24,646	7,968
Accrued compensated absences	391,416	94,650	-	486,066	178,427
Total Business Type Activities	\$ 12,048,421	\$ 16,352,965	\$ 713,684	\$ 27,687,702	\$1,336,013
Grand Total	\$ 48,008,359	\$ 17,055,146	\$ 2,001,772	\$ 63,061,733	\$4,005,875

Annual debt service requirements as of September 30, 2025 for general obligation debt is as follows:

Fiscal Year Ending	Governmental Activities							
	General Obligation Debt		General Obligation Direct Placements		Various Purpose Bonds		Various Purpose Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 520,000	\$ 919,266	\$ 35,000	\$ 5,623	\$ 520,000	\$ 123,240	\$ 40,000	\$ 796
2027	525,000	908,463	35,000	4,874	520,000	110,180	-	-
2028	1,590,000	897,136	35,000	4,073	430,000	96,380	-	-
2029	1,640,000	843,061	35,000	3,219	435,000	84,573	-	-
2030	1,680,000	786,654	40,000	2,312	445,000	73,935	-	-
2031	1,635,000	728,066	40,000	1,196	365,000	62,863	-	-
2032	1,685,000	679,193	-	-	370,000	52,475	-	-
2033	1,535,000	626,970	-	-	215,000	44,459	-	-
2034	1,585,000	576,615	-	-	220,000	38,878	-	-
2035	1,640,000	522,601	-	-	225,000	32,788	-	-
2036	1,695,000	466,430	-	-	230,000	26,523	-	-
2037	1,750,000	406,414	-	-	195,000	20,083	-	-
2038	1,815,000	344,459	-	-	200,000	14,083	-	-
2039	1,665,000	282,625	-	-	110,000	7,908	-	-
2040	1,735,000	217,005	-	-	110,000	4,929	-	-
2041	1,800,000	148,260	-	-	30,000	1,913	-	-
2042	1,815,000	77,550	-	-	30,000	638	-	-
2043	95,000	8,775	-	-	-	-	-	-
2044	100,000	4,500	-	-	-	-	-	-
	\$26,505,000	\$ 9,444,043	\$ 220,000	\$ 21,297	\$ 4,650,000	\$ 795,848	\$ 40,000	\$ 796

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service requirements as of September 30, 2025 for enterprise fund debt is as follows:

Fiscal Year Ending	Business Type Activities	
	Enterprise Fund	
	Principal	Interest
2026	\$ 1,135,000	\$ 967,514
2027	1,195,000	953,574
2028	1,235,000	908,564
2029	1,275,000	862,467
2030	1,325,000	816,196
2031	1,365,000	768,621
2032	1,415,000	717,946
2033	1,455,000	664,496
2034	1,520,000	608,796
2035	1,575,000	550,671
2036	1,625,000	497,719
2037	1,680,000	442,589
2038	1,740,000	385,121
2039	1,185,000	334,956
2040	1,230,000	292,753
2041	1,280,000	247,556
2042	1,325,000	199,156
2043	1,070,000	150,750
2044	1,115,000	102,600
2045	1,165,000	52,425
	<u>\$ 26,910,000</u>	<u>\$ 10,524,470</u>

General obligation bonds and other general long-term obligations represent indebtedness secured by the full faith and credit of the City. Special assessment bonds represent indebtedness supported by the full faith and credit of the City and are payable from the collection of special assessment receivables. The City has no legal debt limit; therefore, a computation of the legal debt margin is not required.

Tax increment financing bonds issued by the Community Development Agency are issued to provide the long-term financing for the redevelopment of blighted and substandard areas around the City. These bonds are payable only from real estate taxes on certain property located within these plan areas and do not constitute general obligations of the Agency or City.

Revenue bonds are the obligation of the Enterprise Fund and are payable solely from the revenues of the Water, Sewer and Solid Waste Funds. The City has pledged future water, sewer and solid waste customer revenues to repay \$9.22 million of bonds issued November 2017, \$5.05 million of bonds issued November 2021 and \$16 million of bonds issued May 2025. The bonds issued in May 2025 are to fund a west water collector well, water tank, plant upgrades at the water plant and grit removal building and plant upgrades at the water pollution control plant. The interest rates on the bonds range from 4.00% to 5.00% with a final maturity date of May 2045. Annual principal and interest payments on all outstanding revenue bonds are expected to require less than 14.0% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$37,434,470. Principal and interest paid for the current year was \$933,659 and total water, sewer and solid waste customer net revenues were \$6,343,700.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

In May 2022 the City issued \$20,285,000 of Highway Allocation Fund Pledge Bonds. The bonds have a final maturity of May 15, 2042 and interest rates ranging from 3.00% to 4.00%. Total principal and interest remaining to be paid on the bonds is \$28,215,013. Interest only payments are scheduled for the first 5 years followed by 15 years of regular principal and interest payments. Interest paid in the current year and total highway allocation revenue were \$737,581 and \$4,548,839 respectively.

NOTE 10 – TRANSFERS

The following is a summary of transfers between funds:

	Governmental Funds			Transfers out:			Total
	General	CHAF	Debt Service	Nonmajor Governmental	Water	Sewer	
Transfers in:							
General	\$ -	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ 165,000
CHAF	200,000	-	-	-	-	-	200,000
Special Assessment	-	-	42,275	-	-	-	42,275
Nonmajor Governmental	3,645,271	-	-	1,443	78,858	78,858	3,804,430
Total	<u>\$ 3,845,271</u>	<u>\$ 165,000</u>	<u>\$ 42,275</u>	<u>\$ 1,443</u>	<u>\$ 78,858</u>	<u>\$ 78,858</u>	<u>\$ 4,211,705</u>

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To use property and sales tax revenues collected in the general fund to fund capital outlay in the capital construction fund.

On the Statement of Activities there was a transfer of capital assets from the Government Activities to the Business-Type Activities. This consisted of a \$6,232 water line transferred from the Capital Projects Fund to the Water Fund and a \$297,740 water line transferred from the Special Assessment Fund to the Water Fund.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 11 – FUND BALANCES

In the current year the Community Development Agency met the quantitative threshold and is now considered a major fund. Capital Projects fund did not meet the quantitative threshold and is now considered a nonmajor fund. The effects of the changes within the financial reporting entity are as follows:

	September 30, 2024		
	As Previously Reported	Changes within Reporting Entity	September 30, 2024 As Restated
Governmental Funds:			
Major Funds:			
General	\$ 13,340,475	\$ -	\$ 13,340,475
City Highway Allocation	6,057,639	-	6,057,639
Debt Service	6,882,011	-	6,882,011
Special Assessments	(2,005,717)	-	(2,005,717)
Capital Construction	7,030,478	(7,030,478)	-
Community Development Agency	-	415,044	415,044
Nonmajor Funds	2,448,636	6,615,434	9,064,070
Total Governmental Funds	<u>\$ 33,753,522</u>	<u>\$ -</u>	<u>\$ 33,753,522</u>

The following schedule reflects all Fund Balances as presented in the Fund Level Statements:

	General	City Highway Allocation	Debt Service	Special Assessments	Community Development Agency	Other Governmental Funds	Total
Nonspendable:							
Fuel Inventory	\$ 38,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,468
Prepaid Items	126,381	-	-	-	-	35,488	161,869
Restricted For:							
Road Projects	-	8,071,662	-	-	-	-	8,071,662
Flood Control Projects	-	-	-	-	-	931,186	931,186
Vehicle Parking	-	-	-	-	-	231,599	231,599
W W II Memorial	10,951	-	-	-	-	-	10,951
Opioid Settlement	47,044	-	-	-	-	-	47,044
Grant Programs	-	-	-	-	-	422,221	422,221
911 Operations	-	-	-	-	-	1,210,707	1,210,707
Recreation Projects	70,280	-	-	-	-	639,507	709,787
Drug Enforcement	-	-	-	-	-	348,052	348,052
Community Betterment	-	-	-	-	425,695	109,620	535,315
Public Safety Projects	701,970	-	-	-	-	1,269,459	1,971,429
Debt Service	-	-	7,385,017	-	-	-	7,385,017
Assigned to:							
Capital Improvements	-	-	-	-	-	1,962,608	1,962,608
Public Safety	51,650	-	-	-	-	-	51,650
Public Works	-	-	-	-	-	87,392	87,392
Community Betterment	-	-	-	-	-	1,232,167	1,232,167
Council Priority Projects	-	-	-	-	-	994,584	994,584
Unassigned:	11,090,149	-	-	(4,208,776)	-	-	6,881,373
Total	<u>\$12,136,893</u>	<u>\$ 8,071,662</u>	<u>\$ 7,385,017</u>	<u>\$ (4,208,776)</u>	<u>\$ 425,695</u>	<u>\$ 9,474,590</u>	<u>\$ 33,285,081</u>

NOTE 12 - EMPLOYEE PENSION PLANS

The City has four single-employer retirement systems covering City employees. Employees make contributions to the 457 Deferred Compensation System and both employees and employer make contributions to the other three retirement systems. Employees are allowed to invest their participant account balances in certain stock and/or bond mutual funds as well as guaranteed insurance accounts. Participants can direct their entire account balance to mutual funds. Nonemployee directed investments are directed by the City Council, whose policy is to direct them to guaranteed insurance accounts. All of these funds are invested through Ameritas Life Insurance Corporation. All investments are valued at market or contract value as more fully discussed in note 2. B. to these statements. Forfeitures of non-vested employer contributions are used to pay for administrative costs. If forfeitures are insufficient, costs are financed through investment earnings. The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are withheld from pay and due to the plan. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment expenses are automatically withdrawn from participant accounts and investment income is shown net of investment expenses. For this reason it is not possible to report investment related costs separate from investment income. Publicly issued financial reports are not available for any of the pension plans nor are they included in the report of a public employee retirement system or another government.

The Firemen's Retirement System has minimum benefit guarantees for participants employed prior to January 1, 1984. With only 3 members employed prior to January 1, 1984, all of which are inactive, it would be misleading to report the entire plan as a defined benefit plan. Therefore, the portion of the plan for members employed prior to January 1, 1984 having minimum benefit guarantees is reported as a defined benefit plan and the portion for members employed on or after January 1, 1984 is reported as a defined contribution plan.

Defined Contribution Pension Plans

The City of Norfolk's Civilian Employee Retirement System is a defined contribution plan, which covers substantially all regular employees working greater than 1,000 hours per year. Plan provisions, including contribution requirements, are established and amended by City ordinances. Participation in this plan is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The City contributes an amount up to 7% of the employee's compensation, pursuant to plan provisions as established by City ordinance. Employee contributions totaled \$1,090,713, and the City recognized pension expense of \$730,976. Forfeitures of \$27,869 were used during the current year to reduce the City's pension expense.

The Police Retirement System, a single employer defined contribution plan, covers all regular uniformed employees of the Norfolk Police Division, as required by State statutes and City ordinances. State statutes require police officers contribute 7% of compensation to the plan. The City matches employee contributions, up to 7% of compensation. Employee contributions totaled \$259,748, and the City recognized pension expense of \$236,432. Forfeitures of \$23,316 were used during the current year to reduce the City's pension expense.

The Firemen's Retirement System covers all regular uniformed employees of the Norfolk Fire Division, as required by State statutes and City ordinances. The Firemen's Retirement Plan was changed, effective January 1, 1984, from a single employer defined benefit plan to a single employer defined contribution plan in which the City contributes twice the employees' contribution, which is 6 1/2% of base pay. Employee contributions totaled \$260,076, and the City recognized pension expense of \$364,623. Forfeitures of \$23,997 were used during the current year to reduce the City's pension expense.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

The 457 Deferred Compensation System is a defined contribution plan, which covers substantially all regular employees working greater than 1,000 hours per year. Plan provisions, including contribution requirements, are established and amended by City ordinances. Participation in this plan is voluntary, and employees may contribute a percentage of total compensation up to the IRS allowed maximum. Employee contributions totaled \$103,062.

Employees are fully vested in the amounts they contribute to the plan, together with the related earnings. Participants become fully vested in employer contributions and related earnings after seven years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures can be used to pay the pension plan's administrative expenses.

Current membership is comprised of the following:

	Civilian	Police	Fire	457
Vested inactive members	52	20	8	18
Active plan members:				
Non-vested	29	11	11	-
Partially vested	47	10	3	-
Fully vested	84	22	25	33
Total membership	212	63	47	51

Defined Benefit Pension Plan

For participants in the Firemen's Retirement System employed prior to January 1, 1984, retirement benefits shall not be less than 50% of final earnings, as defined. Because of the minimum benefit guarantees for participants employed prior to January 1, 1984, this portion of the Firemen's Retirement System is reported as a defined benefit plan.

Participants are fully vested in the amounts they contribute to the plan, together with the related earnings. Participants become fully vested in employer contributions and related earnings after seven years of service. Current membership is comprised of the following:

Inactive plan members or beneficiaries	
currently receiving benefits	3
Total participants	3

State statutes require a retirement committee be established for the Firemen's Retirement System to supervise the general operations of the Retirement System. The committee consists of six members, of which four members are selected by paid firefighters and two members are designated by the City Council. The City Council has designated the Director of Administrative Services and Finance Officer as ex-officio members. The retirement committee is responsible for establishing and amending investment policies related to investment options offered to employees in the plan.

The net pension asset was measured as of September 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The actuarial value of assets is market or contract value as more fully discussed in note 2. B. to these statements. The City uses the entry age actuarial method for reporting and disclosure purposes. Any actuarial gains or losses are amortized in the current year, since there is no future working

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

careers of covered participants remaining. The City annually contributes actuarially determined amounts in addition to any matching contributions. Significant actuarial assumptions include a 6% return on plan assets. Mortality rates are based on the 1994 Group Annuity Mortality-Static Table.

The long-term expected rate of return on pension plan investments is determined using a method in which best-estimate ranges of expected future rates of return are developed for each major asset class based on past performance. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the asset allocation percentage. Expected real rates of return are determined by subtracting expected inflation from expected rates of return. Expected real rates of return for each major asset class and asset allocation as of September 30, 2025 are as summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed Investment Account	100%	0.37%

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumes the City makes any actuarial required contributions. Based on this assumption, the Firemen's Retirement System net position was projected to be available to make all projected future benefit payments of plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. There was no change in the discount rate from the prior year.

For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the net pension liability are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset)</u>
Balances at 10/1/24	\$ 375,749	\$ 401,965	\$ (26,216)
Changes for the year:			
Interest	23,127	-	23,127
Differences between expected and actual experience	11,136	-	11,136
Net investment income	-	13,484	(13,484)
Benefit payments, including refunds of employee contributions	(46,512)	(46,512)	-
Net changes	(12,249)	(33,028)	20,779
Balances at 9/30/25	\$ 363,500	\$ 368,937	\$ (5,437)

Plan fiduciary net position as a percentage of the total pension liability 101%

City of Norfolk, NEBRASKA
Notes to Financial Statements

September 30, 2025

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

The following represents the net pension (asset) of the City, calculated using the discount rate of 6%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5%) or 1-percentage-point higher (7%) than the current rate:

	1% Decrease <u>(5%)</u>	Current Discount Rate (6%)	1% Increase <u>(7%)</u>
City's net pension liability (asset)	\$17,300	\$(5,437)	\$(25,780)

For the current year, the City recognized pension expense of \$21,972. The City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 20,517

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2026	\$ 8,519
2027	6,143
2028	3,926
2029	1,929

Multiyear trend information of the Firemen's Retirement System is presented as Required Supplementary Information following the Notes to the Financial Statements.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The City has received financial assistance from federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and the Single Audit Act, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds, however, such disallowed claims, if any, are not expected to have a materially adverse effect on the City's financial position at September 30, 2025.

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters is not expected to have a materially adverse effect on the financial condition of the City.

The city has entered into various contracts for street and other capital improvements. The remaining commitment under these contracts is \$11,760,649. \$49,350 will be paid from the General Fund, \$4,116,305 will be paid from the City Highway Allocation Fund, \$7,294,218 will be paid from the Capital Construction Fund and \$300,776 will be paid from the Special Assessment Fund. The City

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 13 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

also entered into various contracts for Enterprise Fund Improvement Projects. The remaining commitment under these contracts is approximately \$15,671,455. \$6,794,674 will be paid by the Water Division, \$8,805,092 will be paid by the Sewer Division and \$71,689 will be paid out of the Storm Water Division.

As discussed in Note 1 encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$51,650
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NOTE 14 - INDIVIDUAL FUND DISCLOSURES

Certain information concerning individual funds is as follows:

- A.** The following fund had a deficit balance as of September 30, 2025:

Capital Project Fund	Special Assessment	(\$4,208,776)
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This deficit will be resolved when the City issues permanent financing for the outstanding bond anticipation notes.

- B.** The City maintains the following insurance coverage on the water and sewage treatment and solid waste facilities of the Enterprise Fund:

Fire and extended coverage with a \$25,000 deductible on various water and sewage treatment and solid waste facilities. Scheduled values for related buildings and contents were \$85,931,146.

The City carries a blanket limit of \$161.8 million.

- C.** The City provides water, sewer, solid waste management services (transfer station), and stormwater utility through the Enterprise Fund. These services are financed through user charges. Segment information for the Enterprise Fund is as follows:

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 14 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

CONDENSED STATEMENT OF NET POSITION

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Assets:					
Current assets	\$ 17,190,826	\$ 13,024,455	\$ 2,333,943	\$ 643,583	\$ 33,192,807
Restricted assets	-	199,501	176,062	-	375,563
Capital assets	44,083,146	38,298,875	6,180,332	113,717	88,676,070
Total assets	61,273,972	51,522,831	8,690,337	757,300	122,244,440
Liabilities:					
Current liabilities	2,448,131	2,016,808	444,514	14,516	4,923,969
Noncurrent liabilities	12,322,561	9,720,000	4,309,128	-	26,351,689
Total liabilities	14,770,692	11,736,808	4,753,642	14,516	31,275,658
Deferred Inflows of Resources:	775,101	-	-	-	775,101
Net Position					
Net Investment in Capital Assets	35,746,415	27,050,811	1,748,599	101,618	64,647,443
Restricted	364,369	735,773	401,062	-	1,501,204
Unrestricted	9,617,395	11,999,439	1,787,034	641,166	24,045,034
Total Net Position	\$ 45,728,179	\$ 39,786,023	\$ 3,936,695	\$ 742,784	\$ 90,193,681

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Operating revenues	\$ 4,502,793	\$ 6,821,277	\$ 3,085,654	\$ 314,257	\$ 14,723,981
Depreciation and amortization	748,842	804,469	360,951	-	1,914,262
Other operating expenses	2,796,401	3,732,852	2,513,668	112,227	9,155,148
Operating Income	957,550	2,283,956	211,035	202,030	3,654,571
Nonoperating revenues (expenses):					
Interest on bonds and other debt	(191,551)	(234,162)	(82,445)	-	(508,158)
Interest income	520,885	430,917	25,095	20,601	997,498
Intergovernmental revenues	-	1,171,936	3,272	-	1,175,208
Gain (Loss) on disposal of capital assets	-	-	9,593	-	9,593
Interfund transfers out	(78,858)	(78,858)	-	-	(157,716)
Insurance proceeds	-	139,425	-	-	139,425
Contributions	640,598	385,606	-	6,849	1,033,053
Change in net position	1,848,624	4,098,820	166,550	229,480	6,343,474
Beginning net position	43,879,555	35,687,203	3,770,145	513,304	83,850,207
Ending net position	\$ 45,728,179	\$ 39,786,023	\$ 3,936,695	\$ 742,784	\$ 90,193,681

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 14 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

CONDENSED STATEMENT OF CASH FLOWS

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Net cash provided (used) by:					
Operating activities	\$ 1,942,521	\$ 3,210,846	\$ 619,809	\$ 189,791	\$ 5,962,967
Noncapital financing activities	(78,858)	(78,858)	3,272	-	(154,444)
Capital and related financing activities	6,699,605	203,154	(713,442)	(23,081)	6,166,236
Investing activities	444,451	428,819	28,056	20,199	921,525
Net increase (decrease)	9,007,719	3,763,961	(62,305)	186,909	12,896,284
Beginning cash and cash equivalents	5,680,819	8,281,208	2,247,118	401,226	16,610,371
Ending cash and cash equivalents	\$ 14,688,538	\$ 12,045,169	\$ 2,184,813	\$ 588,135	\$ 29,506,655

Individual Fund Information for the Employee Retirement Funds follows:

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total
ASSETS:						
Guaranteed Insurance Contracts	\$ 344,268	\$368,937	\$ 1,099,614	\$ 6,725,107	\$ 1,002,918	\$ 9,540,844
Open Ended Mutual Funds	12,258,379	-	12,518,897	26,518,656	1,679,401	52,975,333
Total Assets	12,602,647	368,937	13,618,511	33,243,763	2,682,319	62,516,177
NET POSITION:						
Held in Trust for Pension Benefits	12,602,647	368,937	13,618,511	33,243,763	2,682,319	62,516,177
Total Net Position	\$ 12,602,647	\$368,937	\$13,618,511	\$33,243,763	\$ 2,682,319	\$62,516,177

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 14 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total
ADDITIONS						
Contributions:						
Employer	\$ 364,623	\$ -	\$ 236,432	\$ 730,976	\$ -	\$ 1,332,031
Employee	260,076	-	259,748	1,090,713	103,062	1,713,599
Total Contributions	624,699	-	496,180	1,821,689	103,062	3,045,630
Investment Income:						
Interest, Dividends and						
Market Gains	1,363,312	13,484	1,357,912	3,267,631	223,395	6,225,734
Total Additions	1,988,011	13,484	1,854,092	5,089,320	326,457	9,271,364
DEDUCTIONS						
Pension Benefits	158,975	46,512	1,552,758	6,601,962	529,298	8,889,505
Administration	1,468	-	1,357	4,784	1,145	8,754
Contribution Refunds	121,251	-	45,574	205,041	8,800	380,666
Total Deductions	281,694	46,512	1,599,689	6,811,787	539,243	9,278,925
Change in Net Position	1,706,317	(33,028)	254,403	(1,722,467)	(212,786)	(7,561)
Net Position-Beginning of Period	10,896,330	401,965	13,364,108	34,966,230	2,895,105	62,523,738
Net Position-End of Period	\$12,602,647	\$368,937	\$13,618,511	\$33,243,763	\$2,682,319	\$62,516,177

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and group health and dental claims. Through an interlocal agreement, the City participates in the League Association of Risk Management (LARM), a public entity risk pool formed under the Intergovernmental Risk Management Act, *Neb. Rev. Stat. Sections 44-4301 et seq.*, to cover the risk of loss except for health and dental coverage, which is partially self-insured. The City pays an annual premium contribution to LARM for its insurance coverage membership in the insurance pool. LARM purchases reinsurance through commercial companies for claims in excess of \$250,000 per occurrence/\$500,000 per occurrence all CAT Perils for property, or in excess of \$300,000 per single loss for liability. Workers Compensation reinsurance covers claims in excess of \$750,000 for a single loss or an annual aggregate losses of \$5 million. The retentions meet the actuarially determined requirements of reducing the risk of assessments over premiums. The policy period is October 1, 2024 to September 30, 2025. The terms of coverage did not change substantially in the current fiscal year from the prior fiscal year and settled claims have not exceeded this coverage in any of the past three fiscal years. Group health and dental coverage provided by the City is accounted for in the Internal Service Fund, which is used to accumulate resources to fund claims under the City's self-insured health and dental plans. City contributions to fund this coverage are reported by the respective funds as expenditures and shown as revenue in the Internal Service

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE 15 - RISK MANAGEMENT (CONTINUED)

Fund. The employees' share is also shown as revenue in the internal service fund. The City purchases reinsurance to protect against large losses. This reinsurance pays for individual claims in excess of \$150,000 and limits City payments for claims during the year to a maximum of \$5,926,240. The City retains liability for two high-cost members with individual stop loss attachment points of \$425,000 and \$300,000 respectively, before stop loss coverage applies. The September 30, 2025 claims liability of \$533,772 is included in accounts payable for the Internal Service Fund. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of financial statements and the amount of loss can be reasonably estimated. This claims liability includes accruals for claims incurred but not paid and claims incurred but not reported. Changes in the claims liability amount for the year ending September 30, 2025 and the year ending September 30, 2024 are:

	Beginning	Claims & Changes in Estimates	Claim Payments	Ending
2024	\$240,721	\$2,824,346	\$2,762,887	\$302,180
2025	\$302,180	\$4,051,639	\$3,820,047	\$533,772

NOTE 16 - RELATED PARTY TRANSACTIONS

As discussed in Note 1. A., the City, along with other cities and counties in Northeast Nebraska, created the Northeast Nebraska Solid Waste Coalition (NNSWC). Waste from the City's transfer station is taken to the NNSWC. During the year, the City paid the NNSWC \$912,005 in garbage fees and at September 30, 2025, \$82,072 was due to the NNSWC. The City provides administrative services for the NNSWC. During the year \$51,215 was received from the NNSWC for administrative services. The City was reimbursed by the NNSWC \$9,940 for NNSWC expenses paid by the City and at September 30, 2025, \$5,750 was due from the NNSWC.

The Norfolk Housing Agency is fully staffed with City of Norfolk employees. In the current year the City was reimbursed \$127,713 for a portion of employees' salaries. The Housing Agency manages different properties and the City provides administrative services. During the year \$102,844 was received from the Housing Agency.

NOTE 17 - TAX ABATEMENTS

The State of Nebraska enters into tax abatement agreements with businesses under the Nebraska Advantage Act and the Employment and Investment Growth Act. These acts allow for refunds of sales tax paid on equipment or other taxable property purchased in connection with adding a certain number of jobs and dollar amount investment. For the fiscal year ending September 30, 2025 the City sales tax revenues were reduced by \$28,404 under these tax abatement agreements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Norfolk, NEBRASKA
Required Supplementary Information
September 30, 2025

SCHEDULE OF CHANGES IN FIREMEN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ 27,016	\$ 25,908	\$ 25,083	\$ 17,137	\$ 30,967	\$ 57,038	\$ 27,285
Interest	23,127	24,297	24,895	29,267	31,938	34,887	54,092	159,925	201,041	243,025
Differences between expected and actual experience	11,136	(2,224)	(15,065)	(10,889)	(10,480)	(10,340)	(3,491)	(14,448)	(39,200)	63,779
Benefit payments, including refunds of contributions	(46,512)	(50,275)	(55,771)	(193,598)	(107,771)	(115,771)	(899,382)	(1,162,802)	(989,167)	(96,645)
Net change in total pension liability	(12,249)	(28,202)	(45,941)	(148,204)	(60,405)	(66,141)	(831,644)	(986,358)	(770,288)	237,444
Total pension liability-beginning	375,749	403,951	449,892	598,096	658,501	724,642	1,556,286	2,542,644	3,312,932	3,075,488
Total pension liability-ending (a)	<u>\$ 363,500</u>	<u>\$ 375,749</u>	<u>\$ 403,951</u>	<u>\$ 449,892</u>	<u>\$ 598,096</u>	<u>\$ 658,501</u>	<u>\$ 724,642</u>	<u>\$ 1,556,286</u>	<u>\$ 2,542,644</u>	<u>\$ 3,312,932</u>
Plan fiduciary net position										
Contributions-employer	\$ -	\$ 30,000	\$ 28,005	\$ 27,016	\$ 25,908	\$ 25,083	\$ 17,137	\$ 24,254	\$ 39,284	\$ 48,190
Contributions-member	-	-	-	-	-	-	-	3,752	5,018	9,095
Net investment income	13,484	14,309	13,810	17,389	20,350	23,722	42,840	148,374	187,177	228,466
Benefit payments, including refunds of contributions	(46,512)	(50,275)	(55,771)	(193,598)	(107,771)	(115,771)	(899,382)	(1,162,802)	(989,167)	(96,645)
Administrative expense	-	-	-	-	-	-	(185)	(323)	(101)	(829)
Net change in plan fiduciary net position	(33,028)	(5,966)	(13,956)	(149,193)	(61,513)	(66,966)	(839,590)	(986,745)	(757,789)	188,277
Plan fiduciary net position-beginning	401,965	407,931	421,887	571,080	632,594	699,560	1,539,149	2,525,894	3,283,683	3,095,406
Plan fiduciary net position-ending (b)	<u>\$ 368,937</u>	<u>\$ 401,965</u>	<u>\$ 407,931</u>	<u>\$ 421,887</u>	<u>\$ 571,080</u>	<u>\$ 632,594</u>	<u>\$ 699,560</u>	<u>\$ 1,539,149</u>	<u>\$ 2,525,894</u>	<u>\$ 3,283,683</u>
Firemen's net pension liability (asset)-ending (a) - (b)	<u>\$ (5,437)</u>	<u>\$ (26,216)</u>	<u>\$ (3,980)</u>	<u>\$ 28,005</u>	<u>\$ 27,016</u>	<u>\$ 25,908</u>	<u>\$ 25,082</u>	<u>\$ 17,137</u>	<u>\$ 16,750</u>	<u>\$ 29,249</u>
Plan fiduciary net position as a percentage of the total pension liability	101%	107%	101%	94%	95%	96%	97%	99%	99%	99%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,722	\$ 77,194	\$ 139,920
City's net pension liability (asset) as a percentage of covered payroll	-	-	-	-	-	-	-	30%	22%	21%

City of Norfolk, NEBRASKA
Required Supplementary Information
September 30, 2025

SCHEDULE OF CITY'S CONTRIBUTIONS - FIREMEN'S RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -	\$ -	\$ 28,005	\$ 27,016	\$ 25,908	\$ 25,083	\$ 17,137	\$ 16,750	\$ 29,249	\$ -
Contributions in relation to the actuarially determined contribution	-	30,000	28,005	27,016	25,908	25,083	17,137	16,750	29,249	30,000
Contribution deficiency (excess)	\$ -	\$ (30,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,000)
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,722	\$ 77,194	\$ 139,920
Contributions as a percentage of covered payroll	-	-	-	-	-	-	-	29%	38%	21%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Inflation	3%
Salary increases	4%, including inflation
Investment rate of return	6%, net of pension plan expense, including inflation
Withdrawal	Advanced Pension Table Handbook, Turnover Scale W-70
Mortality	1994 Group Annuity Mortality-Static

City of Norfolk, NEBRASKA
Required Supplementary Information
September 30, 2025

SCHEDULE OF FIRE INVESTMENT RETURNS
LAST 10 FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	3.55%	3.55%	3.36%	3.24%	3.43%	3.61%	5.11%	6.56%	7.32%	7.32%

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, GENERAL FUND - BUDGETARY BASIS
For the Year Ended September 30, 2025

	General Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 18,515,782	\$ 19,415,264	\$ 899,482
Licenses and Permits	426,170	534,688	108,518
Intergovernmental Revenue	566,131	1,225,514	659,383
Nongovernmental Grants	12,000	37,256	25,256
Charges for Services	3,410,365	3,464,613	54,248
Occupation and Franchise Taxes	657,000	733,339	76,339
Payments in Lieu of Taxes	210,000	239,468	29,468
Contributions	25,000	153,494	128,494
Rental Income	4,659,337	4,736,134	76,797
Interest	169,000	255,739	86,739
Keno Revenue	697,000	756,257	59,257
Miscellaneous	90,000	266,818	176,818
Total Revenue	29,437,785	31,818,584	2,380,799
Current Expenditures:			
Public Safety	13,150,062	13,609,689	(459,627)
Public Works	5,673,295	5,056,311	616,984
Public Library	2,167,763	1,938,317	229,446
Parks and Recreation	3,915,094	4,090,975	(175,881)
Community Improvement and Development	1,681,272	1,530,044	151,228
General Government	4,254,050	4,182,597	71,453
Total Expenditures	30,841,536	30,407,933	433,603
Excess (Deficiency) of Revenues over Expenditures	(1,403,751)	1,410,651	2,814,402
Other Financing Sources (Uses):			
Transfers In	165,000	165,000	-
Transfers Out	(2,532,449)	(3,845,271)	(1,312,822)
Total other Financing Sources (Uses)	(2,367,449)	(3,680,271)	(1,312,822)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3,771,200)	\$ (2,269,620)	\$ 1,501,580
Fund Balances-Beginning of Year		10,630,584	
Fund Balances- End of Year		\$ 8,360,964	

See Accompanying Notes to Required Supplementary Information

CITY OF NORFOLK, NEBRASKA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, MAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS**

For the Year Ended September 30, 2025

	City Highway Allocation Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Intergovernmental Revenue	\$ 3,863,000	\$ 4,693,470	\$ 830,470
Interest	136,000	326,935	190,935
Total Revenue	3,999,000	5,020,405	1,021,405
Current Expenditures:			
Public Works	6,122,000	2,076,027	4,045,973
Debt Service	1,147,081	737,581	409,500
Total Expenditures	7,269,081	2,813,608	4,455,473
Excess (Deficiency) of Revenues over Expenditures	(3,270,081)	2,206,797	5,476,878
Other Financing Sources (Uses):			
Proceeds from Debt Financing	4,550,000	-	(4,550,000)
Transfers In	200,000	200,000	-
Transfers Out	(165,000)	(165,000)	-
Total other Financing Sources (Uses)	4,585,000	35,000	(4,550,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 1,314,919</u>	<u>\$ 2,241,797</u>	<u>\$ 926,878</u>
Fund Balances-Beginning of Year		<u>6,785,619</u>	
Fund Balances- End of Year		<u>\$ 9,027,416</u>	

See Accompanying Notes to Required Supplementary Information

City of Norfolk, NEBRASKA
Notes to Required Supplementary Information
Budgetary Reporting
September 30, 2025

Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At or around May 1, the City's department and division heads prepare and submit budget requests for the following fiscal year to the City Administrator who then reviews the requests with the department and division heads.
2. After this review process has been completed, the City Administrator presents these budget requests to the Mayor and City Council along with his recommendations as to what changes, if any should be made. These budget requests and recommendations are reviewed during work sessions of the City Council at meetings open to the public.
3. A public hearing on the budget is then conducted at a City Council meeting to obtain citizen comments.
4. Prior to October 1, the City Council legally enacts the ensuing fiscal year's budget for all funds, except Fiduciary Funds, the Community Development Agency and City of Norfolk Facilities Corporation through the passage of an ordinance, which establishes the legal level of control (the level on which expenditures may not legally exceed appropriations) at the total governmental fund level.

Proposed expenditures, which are expected to exceed the fund's total appropriation, require amendment by the City Council. The legal level of budgetary control is at the total governmental fund level. Expenditures in excess of the amount budgeted within individual funds do not require amendment by the City Council.

Appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as assigned fund balance and generally are re-appropriated in the next fiscal year.

5. Formal budgetary integration is employed as a management control device during the year for all Governmental and Proprietary Funds.
6. The budgets adopted are stated on a cash basis. Budgetary comparisons are presented in the financial statements for the governmental funds and are on this budgetary basis, which is not in accordance with U.S. generally accepted accounting principles.
7. There were no budget amendments during the year.

BUDGETARY CONTROL

The annual appropriated budget adopted by the City is prepared on a cash basis and, therefore, the budgetary basis differs from that used to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Such differences and their effect on the respective funds reported operations are summarized as follows:

City of Norfolk, NEBRASKA
Notes to Required Supplementary Information
Budgetary Reporting
September 30, 2025

	<u>General</u>	<u>City Highway Allocation</u>
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a budgetary basis	\$ (2,269,620)	\$ 2,241,797
Basis differences:		
To adjust revenues from recognition on a cash basis	1,027,275	(75,086)
To adjust total expenditures from a recognition on a cash basis	<u>38,763</u>	<u>(152,688)</u>
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a GAAP basis	<u>\$ (1,203,582)</u>	<u>\$ 2,014,023</u>
	<u>Total Budgeted Governmental Funds</u>	
Expenditures and other financing uses, on a budgetary basis	\$ 53,184,286	
Basis differences:		
To adjust total expenditures from a recognition on a cash basis	<u>(3,282,956)</u>	
Expenditures and other financing uses, on a GAAP basis	<u>\$ 49,901,330</u>	

The following schedule demonstrates the City's legal compliance to the budget

Fund	Budget	Actual	Variance Over (Under) Budget
Governmental Funds Expenditures	\$59,602,584	\$53,184,286	\$(6,418,298)

SUPPLEMENTARY INFORMATION

GOVERNMENTAL NONMAJOR FUNDS

VEHICLE PARKING FUND - This fund is used to account for the revenues and expenditures of Parking District No. 1. This is a special taxing district, encompassing the downtown area, created for the purpose of providing and maintaining off-street parking lots for employees and customers of the downtown businesses. This fund also is involved with downtown promotions and beautification.

COMMUNITY DEVELOPMENT BLOCK GRANT - This fund is used to account for various community development grants and related program income. The use of these funds is restricted to community and economic development activities, as defined in the grant agreements.

SNARE FUND - This fund is used to account for the contributions from member cities, counties and Nebraska State Patrol to address the drug problem in a ten county area in Northeast Nebraska.

REGION 11 EMERGENCY MANAGEMENT FUND – This fund is used to account for revenue received for emergency management in Antelope County, Pierce County, Madison County and the City of Norfolk. These governments contribute to the fund based upon population. This fund also accounts for emergency management grants received for the area.

WIRELESS 911 FUND – This fund was created pursuant to an agreement with the Nebraska Public Service Commission to track receipts from the State for wireless 911 taxes. The funds are used for equipment, software, maintenance, and any other expenditure necessary for the provision of wireless 911 service.

LB840 ECONOMIC DEVELOPMENT FUND – This fund is used to account for receipts from the levy of property taxes on real and personal property for the LB 840 economic development program. LB 840 was the legislative bill approved by the Nebraska Legislature in 1991 adopting the Local Option Municipal Economic Development Act. This Act authorizes cities to spend local sales or property tax revenue for economic development including offering incentives to attract business.

ECONOMIC DEVELOPMENT OPERATING FUND – This fund was created to account for the operations of the Economic Development Fund. Madison County and the City of Norfolk both contribute equally to fund personnel costs, travel, and other necessary operating expenses relating to economic development.

AMERICAN RESCUE PLAN FUND – This fund was created to account for funding from the American Rescue Plan Act and to document the projects funded.

NORFOLK/MADISON DISPATCH FUND – This fund is used to account for the agreement between the City and Madison County to provide 911 dispatch services in the Norfolk and Madison County area.

CAPITAL CONSTRUCTION FUND – This fund is used to account for the acquisition and construction of major capital items other than those financed by proprietary funds and trust funds, or special assessments.

CITY OF NORFOLK, NEBRASKA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
September 30, 2025

	Special Revenue Funds									Capital Projects	Total Governmental Nonmajor Funds
	Vehicle Parking	Community Development Block Grant	SNARE	Region 11	Wireless 911	LB 840 Economic Development	Economic Development Operating	(Formerly Major) American Rescue Plan	Norfolk/Madison Dispatch	(Formerly Major) Capital Construction	
Assets											
Cash and Equity in Pooled Investment Account	\$ 209,902	\$ 227,693	\$ 344,315	\$ 187,494	\$ 334,661	\$ 10,896	\$ 105,603	\$ -	\$ 835,984	\$ 7,425,861	\$ 9,682,409
Cash at County Treasurer	19,433	-	-	-	-	-	-	-	-	-	19,433
Receivables (Net, where applicable, of allowance for uncollectibles)											
Accounts	-	-	212	-	-	-	-	-	1,305	315	1,832
Taxes	3,785	-	-	-	-	4	-	-	28,205	-	31,994
Accrued Interest	2,430	1,136	4,287	2,226	4,366	149	3,966	-	10,691	73,757	103,008
Notes	-	839,363	-	-	-	1,031	-	-	-	-	840,394
Due from Other Governmental Agencies	-	83,549	-	16,420	-	-	-	-	-	29,735	129,704
Prepaid Assets	-	-	1,400	-	32,983	-	-	-	1,105	-	35,488
Total Assets	235,550	1,151,741	350,214	206,140	372,010	12,080	109,569	-	877,290	7,529,668	10,844,262
Liabilities											
Accounts Payable	3,717	50,434	762	272	185	-	2,830	-	4,320	383,030	445,550
Unearned Revenue	-	-	-	-	-	8,168	-	-	-	-	8,168
Total Liabilities	3,717	50,434	762	272	185	8,168	2,830	-	4,320	383,030	453,718
Deferred Inflows of Resources											
Unavailable Revenue-Property Taxes	234	-	-	-	-	-	-	-	-	-	234
Unavailable Revenue-Loan Repayments	-	834,825	-	-	-	1,031	-	-	-	-	835,856
Unavailable Revenue-Grants	-	33,709	-	16,420	-	-	-	-	-	29,735	79,864
Total Deferred Inflows of Resources	234	868,534	-	16,420	-	1,031	-	-	-	29,735	915,954
Fund Balances											
Non Spendable	-	-	1,400	-	32,983	-	-	-	1,105	-	35,488
Restricted	231,599	232,773	348,052	189,448	338,842	2,881	106,739	-	871,865	2,840,152	5,162,351
Assigned	-	-	-	-	-	-	-	-	-	4,276,751	4,276,751
Total Fund Balances	231,599	232,773	349,452	189,448	371,825	2,881	106,739	-	872,970	7,116,903	9,474,590
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 235,550	\$ 1,151,741	\$ 350,214	\$ 206,140	\$ 372,010	\$ 12,080	\$ 109,569	\$ -	\$ 877,290	\$ 7,529,668	\$ 10,844,262

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended September 30, 2025

	Special Revenue Funds										Capital Projects		Total
											(Formerly Nonmajor)	(Formerly Major)	Governmental
	Vehicle	Community			Wireless	LB 840	Economic	(Formerly Major)	Norfolk/Madison		Community	Capital	Nonmajor
	Parking	Development	SNARE	Region 11	911	Economic	Development	American	Dispatch		Development	Construction	Funds
		Block Grant				Development	Operating	Rescue Plan			Agency		
Revenue:													
Taxes	\$ 126,553	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,557
Intergovernmental Revenue	7,334	81,791	26,400	123,826	95,195	-	150,487	1,127,242	500,720	-	-	1,520,379	3,633,374
Occupation & Franchise Taxes	-	-	-	-	-	-	-	-	158,433	-	-	-	158,433
Contributions	-	-	-	-	-	-	-	-	-	-	-	910,247	910,247
Charges for Services	-	-	-	-	-	-	-	-	221,772	-	-	-	221,772
Loan Repayments	-	122,399	-	-	-	2,000	-	-	-	-	-	-	124,399
Interest	7,026	7,000	13,913	6,292	12,295	648	9,333	-	35,347	-	-	188,111	279,965
Miscellaneous	-	-	1,359	-	-	-	-	-	-	-	-	-	1,359
Total Revenue	140,913	211,190	41,672	130,118	107,490	2,652	159,820	1,127,242	916,272	-	-	2,618,737	5,456,106
Expenditures:													
Public Safety	-	-	32,818	151,165	83,619	-	-	71,575	1,576,941	-	-	1,092,408	3,008,526
Public Works	99,898	-	-	-	-	-	-	907,796	-	-	-	682,528	1,690,222
Parks and Recreation	-	-	-	-	-	-	-	1,360	-	-	-	3,134,714	3,136,074
Community Improvement and Development	-	148,071	-	-	-	-	416,975	-	-	-	-	-	565,046
General Government	-	-	-	-	-	-	-	146,511	-	-	-	182,277	328,788
Debt Service	37,210	-	-	-	16,227	-	-	-	32,454	-	-	34,026	119,917
Total Expenditures	137,108	148,071	32,818	151,165	99,846	-	416,975	1,127,242	1,609,395	-	-	5,125,953	8,848,573
Excess (Deficiency) of Revenues over Expenditures	3,805	63,119	8,854	(21,047)	7,644	2,652	(257,155)	-	(693,123)	-	-	(2,507,216)	(3,392,467)
Other Financing Sources (Uses):													
Transfers In	-	-	-	51,633	-	-	157,716	-	1,001,440	-	-	2,593,641	3,804,430
Transfers Out	-	-	-	-	(1,443)	-	-	-	-	-	-	-	(1,443)
Total other Financing Sources (Uses)	-	-	-	51,633	(1,443)	-	157,716	-	1,001,440	-	-	2,593,641	3,802,987
Net Change in Fund Balance	3,805	63,119	8,854	30,586	6,201	2,652	(99,439)	-	308,317	-	-	86,425	410,520
Fund Balances - Beginning of Year, as previously reported	227,794	169,654	340,598	158,862	365,624	229	206,178	-	564,653	415,044	-	-	2,448,636
Change within the Reporting Entity	-	-	-	-	-	-	-	-	-	(415,044)	-	-	6,615,434
Fund Balances - Beginning of Year, as adjusted	227,794	169,654	340,598	158,862	365,624	229	206,178	-	564,653	-	-	7,030,478	9,064,070
Fund Balances - End of Year	\$ 231,599	\$ 232,773	\$ 349,452	\$ 189,448	\$ 371,825	\$ 2,881	\$ 106,739	\$ -	\$ 872,970	\$ -	\$ -	\$ 7,116,903	\$ 9,474,590

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS
For the Year Ended September 30, 2025

	American Rescue Plan			Vehicle Parking			Community Development Block Grant Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:									
Taxes	\$ -	\$ -	\$ -	\$ 132,067	\$ 126,410	\$ (5,657)	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	270	7,334	7,064	1,333,000	31,950	(1,301,050)
Loan Repayments	-	-	-	-	-	-	24,728	122,204	97,476
Interest	-	-	-	4,600	7,774	3,174	1,900	7,011	5,111
Total Revenue	-	-	-	136,937	141,518	4,581	1,359,628	161,165	(1,198,463)
Current Expenditures:									
Public Safety	-	71,575	(71,575)	-	-	-	-	-	-
Public Works	1,389,000	2,052,097	(663,097)	233,119	116,151	116,968	90,000	-	90,000
Parks and Recreation	-	1,360	(1,360)	-	-	-	-	-	-
Community Improvement and Development	-	-	-	-	-	-	1,397,400	101,611	1,295,789
General Government	-	146,511	(146,511)	-	-	-	-	-	-
Debt Service	-	-	-	20,710	20,710	-	-	-	-
Total Expenditures	1,389,000	2,271,543	(882,543)	253,829	136,861	116,968	1,487,400	101,611	1,385,789
Excess (Deficiency) of Revenues Over Expenditures	(1,389,000)	(2,271,543)	882,543	(116,892)	4,657	121,549	(127,772)	59,554	187,326
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (1,389,000)</u>	<u>\$ (2,271,543)</u>	<u>\$ 882,543</u>	<u>\$ (116,892)</u>	<u>\$ 4,657</u>	<u>\$ 121,549</u>	<u>\$ (127,772)</u>	<u>\$ 59,554</u>	<u>\$ 187,326</u>
Fund Balances-Beginning of Year		<u>2,271,543</u>			<u>224,678</u>			<u>168,139</u>	
Fund Balances- End of Year		<u>\$ -</u>			<u>\$ 229,335</u>			<u>\$ 227,693</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS (CONTINUED)
For the Year Ended September 30, 2025

	SNARE			Region 11			Wireless 911		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:									
Intergovernmental Revenue	26,400	26,400	-	\$ 117,450	\$ 139,522	\$ 22,072	\$ 89,670	\$ 95,195	\$ 5,525
Interest	7,200	13,866	6,666	4,100	7,253	3,153	8,000	14,323	6,323
Miscellaneous	4,000	51,755	47,755	-	-	-	-	-	-
Total Revenue	37,600	92,021	54,421	121,550	146,775	25,225	97,670	109,518	11,848
Current Expenditures:									
Public Safety	78,982	31,920	47,062	169,656	153,823	15,833	122,178	140,526	(18,348)
Total Expenditures	78,982	31,920	47,062	169,656	153,823	15,833	122,178	140,526	(18,348)
Excess (Deficiency) of Revenues Over Expenditures	(41,382)	60,101	101,483	(48,106)	(7,048)	41,058	(24,508)	(31,008)	(6,500)
Other Financing Sources (Uses):									
Transfers In	-	-	-	51,633	51,633	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	51,633	51,633	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (41,382)</u>	<u>\$ 60,101</u>	<u>\$ 101,483</u>	<u>\$ 3,527</u>	<u>\$ 44,585</u>	<u>\$ 41,058</u>	<u>\$ (24,508)</u>	<u>\$ (31,008)</u>	<u>\$ (6,500)</u>
Fund Balances-Beginning of Year		284,214			142,909			365,669	
Fund Balances- End of Year		<u>\$ 344,315</u>			<u>\$ 187,494</u>			<u>\$ 334,661</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS (CONTINUED)
For the Year Ended September 30, 2025

	LB 840 Economic Development			Economic Development Operating			Norfolk/Madison Dispatch		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:									
Taxes	\$ -	\$ 9	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	182,982	150,487	(32,495)	500,720	500,720	-
Charges for Services	-	-	-	-	-	-	219,123	221,772	2,649
Occupation and Franchise Taxes	-	-	-	-	-	-	181,000	156,451	(24,549)
Loan Repayments	-	2,000	2,000	-	-	-	-	-	-
Interest	12,275	(3,052)	(15,327)	3,000	12,522	9,522	13,000	34,330	21,330
Total Revenue	12,275	(1,043)	(13,318)	185,982	163,009	(22,973)	913,843	913,273	(570)
Current Expenditures:									
Public Safety	-	-	-	-	-	-	1,902,880	1,595,577	307,303
Community Improvement and Development	-	-	-	439,581	414,371	25,210	-	-	-
Total Expenditures	-	-	-	439,581	414,371	25,210	1,902,880	1,595,577	307,303
Excess (Deficiency) of Revenues over Expenditures	12,275	(1,043)	(13,318)	(253,599)	(251,362)	2,237	(989,037)	(682,304)	306,733
Other Financing Sources:									
Transfers In	-	-	-	182,982	157,717	(25,265)	1,001,440	1,001,440	-
Total Other Financing Sources	-	-	-	182,982	157,717	(25,265)	1,001,440	1,001,440	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 12,275</u>	<u>\$ (1,043)</u>	<u>\$ (13,318)</u>	<u>\$ (70,617)</u>	<u>\$ (93,645)</u>	<u>\$ (23,028)</u>	<u>\$ 12,403</u>	<u>\$ 319,136</u>	<u>\$ 306,733</u>
Fund Balances-Beginning of Year		11,939			199,248			516,848	
Fund Balances- End of Year		<u>\$ 10,896</u>			<u>\$ 105,603</u>			<u>\$ 835,984</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, CAPITAL PROJECT FUNDS - BUDGETARY BASIS
For the Year Ended September 30, 2025

	Capital Construction			Special Assessments		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:						
Intergovernmental Revenue	\$ 2,760,428	\$ 2,273,967	\$ (486,461)	\$ -	\$ -	\$ -
Contributions	4,800	910,276	905,476	-	-	-
Interest	101,200	237,261	136,061	33,130	52,020	18,890
Total Revenue	2,866,428	3,421,504	555,076	33,130	52,020	18,890
Expenditures:						
Public Safety	1,222,000	994,459	227,541	-	-	-
Public Works	2,229,156	744,717	1,484,439	2,192,000	2,302,935	(110,935)
Parks and Recreation	5,029,759	5,053,435	(23,676)	-	-	-
General Government	210,000	182,277	27,723	-	-	-
Debt Service	-	-	-	393,623	371,797	21,826
Total Expenditures	8,690,915	6,974,888	1,716,027	2,585,623	2,674,732	(89,109)
Excess (Deficiency) of Revenues Over Expenditures	(5,824,487)	(3,553,384)	2,271,103	(2,552,493)	(2,622,712)	(70,219)
Other Financing Sources:						
Proceeds from Debt Financing	465,000	-	(465,000)	970,000	-	(970,000)
Transfers In	1,279,376	2,593,641	1,314,265	-	42,275	42,275
Total Other Financing Sources	1,744,376	2,593,641	849,265	970,000	42,275	(927,725)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (4,080,111)</u>	<u>\$ (959,743)</u>	<u>\$ 3,120,368</u>	<u>\$ (1,582,493)</u>	<u>\$ (2,580,437)</u>	<u>\$ (997,944)</u>
Fund Balances-Beginning of Year		8,385,604			2,823,468	
Fund Balances- End of Year		<u>\$ 7,425,861</u>			<u>\$ 243,031</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, DEBT SERVICE FUND - BUDGETARY BASIS
For the Year Ended September 30, 2025

	Debt Service		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 1,011,062	\$ 905,093	\$ (105,969)
Special Assessments	299,473	507,738	208,265
Intergovernmental Revenue	-	116,252	116,252
Payments in Lieu of Taxes	37,000	40,487	3,487
Interest	303,691	389,833	86,142
Miscellaneous	29,000	39,766	10,766
Total Revenue	<u>1,680,226</u>	<u>1,999,169</u>	<u>318,943</u>
Current Expenditures:			
Public Safety	3,000	-	3,000
Debt Service	1,478,392	1,414,347	64,045
Total Expenditures	<u>1,481,392</u>	<u>1,414,347</u>	<u>67,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>198,834</u>	<u>584,822</u>	<u>385,988</u>
Other Financing Sources (Uses):			
Transfers Out	-	(42,275)	(42,275)
Total Other Financing Sources	<u>-</u>	<u>(42,275)</u>	<u>(42,275)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 198,834</u>	<u>\$ 542,547</u>	<u>\$ 343,713</u>
Fund Balances-Beginning of Year		<u>6,617,951</u>	
Fund Balances- End of Year		<u>\$ 7,160,498</u>	

BUSINESS TYPE ACTIVITIES

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government has decided that periodic determination of net income is appropriate for accountability purposes.

COMBINED UTILITY FUND - This fund is used to account for the operations of the City's water and sewer utilities, solid waste transfer station and stormwater utility.

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION
COMBINED UTILITIES
September 30, 2025

ASSETS	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Current Assets:					
Cash and Equity in Pooled Investment Account	\$14,114,558	\$11,197,592	\$1,743,811	\$588,135	\$27,644,096
Receivables:					
Accounts	774,142	1,013,472	292,942	48,422	2,128,978
Special Assessments	544,346	12,684	-	-	557,030
Interest	134,621	131,023	28,217	6,184	300,045
Leases	840,969	-	-	-	840,969
Restricted Cash:					
Cash & Cash Equivalents	573,980	648,076	264,940	-	1,486,996
Inventories:					
Fiber Optic System Held for Resale	202,857	-	-	-	202,857
Prepaid Assets	5,353	21,608	4,033	842	31,836
Total Current Assets	17,190,826	13,024,455	2,333,943	643,583	33,192,807
Noncurrent Assets:					
Restricted Assets:					
Restricted Cash	-	199,501	176,062	-	375,563
Property, Plant and Equipment:					
Land	2,369,018	985,692	52,284	-	3,406,994
Water and Pollution Control Plant	9,645,272	16,103,880	6,207,416	-	31,956,568
Water Distribution and Sewage System	37,581,071	32,840,164	-	-	70,421,235
Equipment	2,239,250	4,581,468	2,134,272	53,143	9,008,133
Right-to-use Lease Asset	-	75,117	-	-	75,117
Right-to-use Subscription Asset	24,265	24,265	-	-	48,530
Construction in Progress	8,176,141	5,501,682	-	113,717	13,791,540
	60,035,017	60,112,268	8,393,972	166,860	128,708,117
Less Accumulated Depreciation/Amortization	15,951,871	21,813,393	2,213,640	53,143	40,032,047
Total Property, Plant and Equipment (Net of Accumulated Depreciation)	44,083,146	38,298,875	6,180,332	113,717	88,676,070
Total Noncurrent Assets	44,083,146	38,498,376	6,356,394	113,717	89,051,633
Total Assets	\$61,273,972	\$51,522,831	\$8,690,337	\$757,300	\$122,244,440

(Continued)

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION (Continued)
COMBINED UTILITIES
September 30, 2025

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Current Liabilities:					
Accounts Payable	\$1,802,503	\$1,264,707	\$132,601	\$14,516	\$3,214,327
Unearned Revenue	-	12,274	-	-	12,274
Accrued Compensated Absences	58,305	73,149	46,973	-	178,427
Leases - Current	-	14,618	-	-	14,618
Subscription Liability - Current	3,984	3,984	-	-	7,968
Payables from Restricted Assets:					
Accrued Interest Payable	209,611	111,804	39,940	-	361,355
Revenue Bonds - Current	373,728	536,272	225,000	-	1,135,000
Total Current Liabilities	2,448,131	2,016,808	444,514	14,516	4,923,969
Noncurrent Liabilities:					
Leases	-	60,499	-	-	60,499
Subscription Liability	8,339	8,339	-	-	16,678
Revenue Bonds	12,207,954	9,552,186	4,206,733	-	25,966,873
Accrued Compensated Absences	106,268	98,976	102,395	-	307,639
Total Noncurrent Liabilities	12,322,561	9,720,000	4,309,128	-	26,351,689
Total Liabilities	14,770,692	11,736,808	4,753,642	14,516	31,275,658
Deferred Inflows of Resources:					
Lease Related	775,101	-	-	-	775,101
Total Deferred Inflows of Resources	775,101	-	-	-	775,101
Net Position					
Net Investment in Capital Assets	35,746,415	27,050,811	1,748,599	101,618	64,647,443
Restricted for:					
Debt Covenants	364,369	735,773	401,062	-	1,501,204
Unrestricted	9,617,395	11,999,439	1,787,034	641,166	24,045,034
Total Net Position	\$ 45,728,179	\$ 39,786,023	\$ 3,936,695	\$ 742,784	\$ 90,193,681

CITY OF NORFOLK, NEBRASKA

COMBINING DEPARTMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

COMBINED UTILITIES

For the Year Ended September 30, 2025

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Operating Revenues:					
User Charges	\$4,415,641	\$6,813,118	\$3,082,208	\$314,190	\$14,625,157
Rental Income	86,736	6,600	-	-	93,336
Miscellaneous Income	416	1,559	3,446	67	5,488
Total Operating Revenues	4,502,793	6,821,277	3,085,654	314,257	14,723,981
Operating Expenses:					
Payroll and Related Taxes and Benefits	1,090,107	1,464,995	852,010	97	3,407,209
Utilities	264,636	376,374	27,441	-	668,451
Repairs and Maintenance	536,954	795,015	310,493	2,543	1,645,005
Purchased Services	-	-	932,385	-	932,385
General and Administration	904,704	1,096,468	391,339	109,587	2,502,098
Depreciation and Amortization	748,842	804,469	360,951	-	1,914,262
Total Operating Expenses	3,545,243	4,537,321	2,874,619	112,227	11,069,410
Operating Income	957,550	2,283,956	211,035	202,030	3,654,571
Nonoperating Revenues (Expenses):					
Intergovernmental Revenue	-	1,171,936	3,272	-	1,175,208
Interest on Bonds and Other Debt	(191,551)	(234,162)	(82,445)	-	(508,158)
Interest Income	520,885	430,917	25,095	20,601	997,498
Insurance Proceeds	-	139,425	-	-	139,425
Gain (Loss) on Disposal of Capital Assets	-	-	9,593	-	9,593
Total Nonoperating Revenues (Expenses)	329,334	1,508,116	(44,485)	20,601	1,813,566
Income before Contributions and Transfers	1,286,884	3,792,072	166,550	222,631	5,468,137
Capital Contributions	640,598	385,606	-	6,849	1,033,053
Transfers (Out)	(78,858)	(78,858)	-	-	(157,716)
Change in Net Position	1,848,624	4,098,820	166,550	229,480	6,343,474
Net Position - Beginning of Year	43,879,555	35,687,203	3,770,145	513,304	83,850,207
Net Position - End of Year	\$45,728,179	\$39,786,023	\$3,936,695	\$742,784	\$90,193,681

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS
Combined Utilities
For the Year Ended September 30, 2025

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 4,617,311	\$ 6,827,313	\$ 3,060,722	\$ 317,434	\$ 14,822,780
Cash Paid to Suppliers for Goods and Services	(1,621,444)	(2,172,857)	(1,625,407)	(127,546)	(5,547,254)
Cash Paid to Employees for Services	(1,053,346)	(1,443,610)	(815,506)	(97)	(3,312,559)
Net Cash Provided by Operating Activities	1,942,521	3,210,846	619,809	189,791	5,962,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating Grants	-	-	3,272	-	3,272
Transfers (to) Other Funds	(78,858)	(78,858)	-	-	(157,716)
Net Cash Provided (Used) by Noncapital Financing Activities	(78,858)	(78,858)	3,272	-	(154,444)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(5,999,558)	(3,396,872)	(392,129)	(29,930)	(9,818,489)
Capital Grants and Contributions	64,923	500,756	-	6,849	572,528
Bond Proceeds	12,600,238	3,582,960	-	-	16,183,198
Interest on Leases Receivable	26,716	-	-	-	26,716
Principal on Leases Receivable	11,648	-	-	-	11,648
Proceeds from the Sale of Assets	-	-	9,593	-	9,593
Insurance Proceeds	-	139,425	-	-	139,425
Principal Paid on Capital Debt	(3,866)	(439,827)	(220,000)	-	(663,693)
Interest Paid on Capital Debt	(496)	(183,288)	(110,906)	-	(294,690)
Net Cash Provided (Used) for Capital and Related Financing Activities	6,699,605	203,154	(713,442)	(23,081)	6,166,236
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends on Investments	444,451	428,819	28,056	20,199	921,525
Net Cash Provided for Investing Activities	444,451	428,819	28,056	20,199	921,525
Net Increase (Decrease) in Cash and Cash Equivalents	9,007,719	3,763,961	(62,305)	186,909	12,896,284
Cash and Cash Equivalents at Beginning of Year	5,680,819	8,281,208	2,247,118	401,226	16,610,371
Cash and Cash Equivalents at End of Year	\$ 14,688,538	\$ 12,045,169	\$ 2,184,813	\$ 588,135	\$ 29,506,655

(Continued)

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS (Continued)
Combined Utilities
For the Year Ended September 30, 2025

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 957,550	\$ 2,283,956	\$ 211,035	\$ 202,030	\$ 3,654,571
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	748,842	804,469	360,951	-	1,914,262
(Increase) Decrease in Assets:					
Accounts Receivable	146,987	5,520	(24,931)	3,177	130,753
Special Assessments	-	516	-	-	516
Prepaid Assets	1,964	(7,760)	1,190	841	(3,765)
Increase (Decrease) in Liabilities:					
Accounts Payable	82,886	102,760	35,060	(16,257)	204,449
Accrued Compensated Absences	36,761	21,385	36,504	-	94,650
Deferred Inflows of Resources	(32,469)	-	-	-	(32,469)
Total Adjustments	984,971	926,890	408,774	(12,239)	2,308,396
Net Cash Provided by Operating Activities	\$ 1,942,521	\$ 3,210,846	\$ 619,809	\$ 189,791	\$ 5,962,967
Supplemental Schedule of Noncash Capital and Related Financing Activities:					
Contribution of Distribution System Assets	\$ 602,192	\$ 353,743	\$ -	\$ -	\$ 955,935
Accounts Payable Exchanged for Capital Assets	1,652,232	1,072,166	-	12,099	2,736,497
Right-to-use Lease Asset Aquired Through Contract	-	75,117	-	-	75,117
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:					
Cash and Equity in Pooled Investment Account	\$ 14,114,558	\$ 11,197,592	\$ 1,743,811	\$ 588,135	\$ 27,644,096
Restricted Cash - Current	573,980	648,076	264,940	-	1,486,996
Restricted Cash - Noncurrent	-	199,501	176,062	-	375,563
	\$ 14,688,538	\$ 12,045,169	\$ 2,184,813	\$ 588,135	\$ 29,506,655

FIDUCIARY FUNDS

Trust Funds are used to account for assets held by the City in a trustee capacity.

PENSION TRUST FUNDS:

FIREMEN'S DEFINED CONTRIBUTION RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighters employed after January 1, 1984.

FIREMEN'S DEFINED BENEFIT RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighters, or their spouses, employed prior to January 1, 1984 having minimum benefit guarantees.

POLICE RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified police officers.

CIVILIAN RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the City.

457 DEFERRED COMPENSATION FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees enrolled in the 457 Deferred Compensation Plan.

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds
September 30, 2025

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total Pension Trust Funds
ASSETS						
Guaranteed Insurance Contracts	\$ 344,268	\$ 368,937	\$ 1,099,614	\$ 6,725,107	\$ 1,002,918	\$ 9,540,844
Open Ended Mutual Funds	12,258,379	-	12,518,897	26,518,656	1,679,401	52,975,333
Total Assets	<u>12,602,647</u>	<u>368,937</u>	<u>13,618,511</u>	<u>33,243,763</u>	<u>2,682,319</u>	<u>62,516,177</u>
FIDUCIARY NET POSITION						
Restricted for Pensions	12,602,647	368,937	13,618,511	33,243,763	2,682,319	62,516,177
Total Fiduciary Net Position	<u>\$ 12,602,647</u>	<u>\$ 368,937</u>	<u>\$ 13,618,511</u>	<u>\$ 33,243,763</u>	<u>\$ 2,682,319</u>	<u>\$ 62,516,177</u>

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended September 30, 2025

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total Pension Trust Funds
ADDITIONS						
Contributions:						
Employer	\$ 364,623	\$ -	\$ 236,432	\$ 730,976	\$ -	\$ 1,332,031
Employee	260,076	-	259,748	1,090,713	103,062	1,713,599
Total Contributions	<u>624,699</u>	<u>-</u>	<u>496,180</u>	<u>1,821,689</u>	<u>103,062</u>	<u>3,045,630</u>
Investment Income:						
Interest, Dividends & Market Gains	<u>1,363,312</u>	<u>13,484</u>	<u>1,357,912</u>	<u>3,267,631</u>	<u>223,395</u>	<u>6,225,734</u>
Total Additions	<u>1,988,011</u>	<u>13,484</u>	<u>1,854,092</u>	<u>5,089,320</u>	<u>326,457</u>	<u>9,271,364</u>
DEDUCTIONS						
Pension Benefits	158,975	46,512	1,552,758	6,601,962	529,298	8,889,505
Contribution Refunds	121,251	-	45,574	205,041	8,800	380,666
Administration	<u>1,468</u>	<u>-</u>	<u>1,357</u>	<u>4,784</u>	<u>1,145</u>	<u>8,754</u>
Total Deductions	<u>281,694</u>	<u>46,512</u>	<u>1,599,689</u>	<u>6,811,787</u>	<u>539,243</u>	<u>9,278,925</u>
Change in Net Position	1,706,317	(33,028)	254,403	(1,722,467)	(212,786)	(7,561)
Fiduciary Net Position - Beginning of Period	<u>10,896,330</u>	<u>401,965</u>	<u>13,364,108</u>	<u>34,966,230</u>	<u>2,895,105</u>	<u>62,523,738</u>
Fiduciary Net Position - End of Period	<u>\$ 12,602,647</u>	<u>\$ 368,937</u>	<u>\$ 13,618,511</u>	<u>\$ 33,243,763</u>	<u>\$ 2,682,319</u>	<u>\$ 62,516,177</u>

STATISTICAL SECTION

CITY OF NORFOLK NEBRASKA
STATISTICAL SECTION
(Unaudited)

This part of the City of Norfolk's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Table</u>
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	1-4
Revenue Capacity These tables contain information that may assist the reader in assessing the City's most significant local revenue sources, property tax and sales tax.	5-11
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	12-15
Economic & Demographic Information These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.	16-17
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.	18-20

Source:

Unless otherwise noted the information in these tables is derived from the annual financial report for the relevant year.

TABLE 1

CITY OF NORFOLK, NEBRASKA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental Activities					
Net Investment in Capital Assets	\$ 87,689,810	\$ 82,787,695	\$ 78,739,728	\$ 71,802,323	\$ 67,600,237
Restricted for:					
Debt Service	7,020,039	6,513,281	5,790,368	5,032,126	4,010,592
Road Projects	8,071,662	4,719,422	1,694,852	2,725,389	5,442,806
Community Programs and Services	5,633,115	3,477,476	4,566,601	4,830,012	3,966,986
Pensions	5,437	26,216	3,980	-	-
Unrestricted	22,270,962	29,735,937	24,586,825	24,503,241	20,997,401
Total Governmental Activities Net Position	<u>\$ 130,691,025</u>	<u>\$ 127,260,027</u>	<u>\$ 115,382,354</u>	<u>\$ 108,893,091</u>	<u>\$ 102,018,022</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 64,647,443	\$ 65,347,288	\$ 61,908,958	\$ 58,415,848	\$ 56,429,491
Restricted	1,501,204	1,325,611	1,257,985	1,183,686	1,006,136
Unrestricted	24,045,034	17,177,308	14,638,514	13,433,290	12,242,771
Total Business-Type Activities Net Position	<u>\$ 90,193,681</u>	<u>\$ 83,850,207</u>	<u>\$ 77,805,457</u>	<u>\$ 73,032,824</u>	<u>\$ 69,678,398</u>
Primary Government:					
Net Investment in Capital Assets	\$ 152,337,253	\$ 148,134,983	\$ 140,648,686	\$ 130,218,171	\$ 124,029,728
Restricted	22,231,457	16,062,006	13,313,786	13,771,213	14,426,520
Unrestricted	46,315,996	46,913,245	39,225,339	37,936,531	33,240,172
Total Primary Government Net Position	<u>\$ 220,884,706</u>	<u>\$ 211,110,234</u>	<u>\$ 193,187,811</u>	<u>\$ 181,925,915</u>	<u>\$ 171,696,420</u>

TABLE 1 (CONT.)

CITY OF NORFOLK, NEBRASKA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities					
Net Investment in Capital Assets	\$ 61,405,541	\$ 56,281,189	\$ 55,056,983	\$ 50,736,098	\$ 40,610,264
Restricted for:					
Debt Service	3,556,622	3,221,437	2,879,341	2,575,381	2,310,289
Road Projects	4,122,543	4,290,994	3,836,877	2,922,144	4,315,636
Community Programs and Services	3,788,391	4,599,009	4,026,973	6,186,742	7,067,955
Pensions	-	-	-	-	-
Unrestricted	20,726,456	17,489,903	16,251,003	14,983,957	16,820,853
Total Governmental Activities Net Position	<u>\$ 93,599,553</u>	<u>\$ 85,882,532</u>	<u>\$ 82,051,177</u>	<u>\$ 77,404,322</u>	<u>\$ 71,124,997</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 51,106,234	\$ 46,338,591	\$ 43,595,405	\$ 41,031,377	\$ 37,513,730
Restricted	945,404	968,434	847,638	1,841,627	2,609,219
Unrestricted	10,743,394	12,265,257	12,299,011	8,881,735	8,972,087
Total Business-Type Activities Net Position	<u>\$ 62,795,032</u>	<u>\$ 59,572,282</u>	<u>\$ 56,742,054</u>	<u>\$ 51,754,739</u>	<u>\$ 49,095,036</u>
Primary Government:					
Net Investment in Capital Assets	\$ 112,511,775	\$ 102,619,780	\$ 98,652,388	\$ 91,767,475	\$ 78,123,994
Restricted	12,412,960	13,079,874	11,590,829	13,525,894	16,303,099
Unrestricted	31,469,850	29,755,160	28,550,014	23,865,692	25,792,940
Total Primary Government Net Position	<u>\$ 156,394,585</u>	<u>\$ 145,454,814</u>	<u>\$ 138,793,231</u>	<u>\$ 129,159,061</u>	<u>\$ 120,220,033</u>

TABLE 2

CITY OF NORFOLK, NEBRASKA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental Activities										
General Government	\$ 3,927,018	\$ 2,017,065	\$ 2,601,562	\$ 3,447,008	\$ 3,107,535	\$ 3,864,486	\$ 2,956,350	\$ 2,977,504	\$ 3,311,385	\$ 2,462,887
Public Safety	16,730,611	14,161,672	13,618,092	12,988,140	12,009,577	11,319,323	10,300,692	10,427,387	10,152,789	10,133,933
Public Works	10,123,945	9,257,681	10,329,746	8,763,148	7,201,836	7,004,357	7,614,440	7,353,230	4,949,525	5,494,622
Public Library	2,162,643	2,077,427	2,179,082	1,923,155	1,869,748	1,826,846	1,804,884	2,233,538	1,478,371	1,461,349
Parks and Recreation	6,300,240	4,933,335	4,410,802	3,839,233	3,273,798	3,383,361	3,334,945	3,180,516	2,970,064	3,354,612
Community Improvement & Development	8,065,863	4,611,338	6,887,790	6,791,856	5,496,064	5,207,956	5,826,934	3,182,386	1,035,861	4,217,807
Debt Service	1,261,112	1,162,484	957,970	491,339	371,104	460,254	398,001	344,297	323,382	454,900
Total Governmental Activities Expenses	48,571,432	38,221,002	40,985,044	38,243,879	33,329,662	33,066,583	32,236,246	29,698,858	24,221,377	27,580,110
Business-Type Activities										
Water Division	3,736,793	3,091,507	3,124,750	3,182,728	2,887,287	2,721,110	2,535,576	2,345,132	2,269,164	2,294,958
Sewer Division	4,771,483	4,419,825	4,276,271	4,192,958	3,673,607	4,225,667	3,738,328	3,790,662	3,168,511	3,293,531
Solid Waste Division	2,947,471	2,798,254	2,619,820	2,446,408	2,264,535	1,998,538	1,936,387	1,960,849	1,830,369	1,763,283
Stormwater Division	112,227	169,032	154,675	105,849	112,299	58,568	-	-	-	-
Total Business-Type Activities	11,567,974	10,478,618	10,175,516	9,927,943	8,937,728	9,003,883	8,210,291	8,096,643	7,268,044	7,351,772
Total Primary Government Expenses	\$ 60,139,406	\$ 48,699,620	\$ 51,160,560	\$ 48,171,822	\$ 42,267,390	\$ 42,070,466	\$ 40,446,537	\$ 37,795,501	\$ 31,489,421	\$ 34,931,882
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 1,525,396	\$ 1,604,755	\$ 1,329,447	\$ 1,170,501	\$ 1,161,541	\$ 970,065	\$ 846,121	\$ 774,415	\$ 675,443	\$ 550,560
Public Safety	1,616,598	1,415,310	1,248,720	1,071,402	1,071,920	900,867	818,625	1,270,763	1,175,687	1,104,698
Public Works	187,196	139,070	141,515	93,416	132,019	147,856	105,214	127,618	141,147	100,707
Public Library	29,517	29,088	26,223	25,511	23,940	16,792	27,542	21,943	27,119	29,056
Parks and Recreation	603,516	559,293	570,685	501,590	483,954	233,792	490,329	463,339	493,930	495,207
Community Improvement and Development	624,725	641,342	894,798	510,278	548,394	629,643	497,526	113,810	102,647	113,526
Operating Grants & Contributions	12,035,641	8,336,427	10,353,821	10,317,438	9,921,051	8,459,117	8,463,834	6,103,919	4,159,685	3,700,589
Capital Grants & Contributions	3,967,128	6,727,349	4,756,541	5,438,961	6,064,400	6,728,690	2,124,055	4,709,685	980,028	1,656,522
Total Governmental Activities Program Revenues	20,589,717	19,452,634	19,321,750	19,129,097	19,407,219	18,086,822	13,373,246	13,585,492	7,755,686	7,750,865
Business-Type Activities:										
Charges for Services:										
Water Division	4,502,377	4,123,367	4,023,336	3,913,399	3,409,107	3,390,991	2,853,689	2,879,311	3,034,477	2,636,412
Sewer Division	6,819,718	6,375,698	5,626,618	5,432,491	4,966,211	4,599,247	4,676,320	4,469,366	4,353,195	3,947,187
Solid Waste	3,082,208	3,121,619	2,879,125	2,477,097	2,336,711	2,286,962	2,362,144	2,016,542	1,994,477	1,909,479
Stormwater Division	314,190	314,703	299,908	155,065	152,608	152,737	-	-	-	-
Operating Grants & Contributions	142,697	309,740	-	33,136	-	-	-	-	-	1,445
Capital Grants & Contributions	1,901,016	1,735,772	1,794,551	364,963	2,287,972	1,348,288	819,590	1,293,123	-	243,349
Total Business-Type Activities Program Revenues	16,762,206	15,980,899	14,623,538	12,376,151	13,152,609	11,778,225	10,711,743	10,658,342	9,382,149	8,737,872
Total Primary Government Program Revenues	\$ 37,351,923	\$ 35,433,533	\$ 33,945,288	\$ 31,505,248	\$ 32,559,828	\$ 29,865,047	\$ 24,084,989	\$ 24,243,834	\$ 17,137,835	\$ 16,488,737
Net (Expense)/Revenue										
Governmental Activities	\$ (27,981,715)	\$ (18,768,368)	\$ (21,663,294)	\$ (19,114,782)	\$ (13,922,443)	\$ (14,979,761)	\$ (18,863,000)	\$ (16,113,366)	\$ (16,465,691)	\$ (19,829,245)
Business-Type Activities	5,194,232	5,502,281	4,448,022	2,448,208	4,214,881	2,774,342	2,501,452	2,561,699	2,114,105	1,386,100
Total Primary Government Net Expense	\$ (22,787,483)	\$ (13,266,087)	\$ (17,215,272)	\$ (16,666,574)	\$ (9,707,562)	\$ (12,205,419)	\$ (16,361,548)	\$ (13,551,667)	\$ (14,351,586)	\$ (18,443,145)

(Continued)

CITY OF NORFOLK, NEBRASKA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes In Net Positions										
Governmental Activities:										
Taxes:										
Property Tax	\$ 7,061,049	\$ 7,062,019	\$ 6,809,444	\$ 6,070,915	\$ 4,954,639	\$ 4,495,422	\$ 4,335,563	\$ 4,002,734	\$ 3,765,320	\$ 3,480,593
Sales Tax	14,246,924	12,332,016	11,898,470	11,141,231	10,503,632	9,216,028	8,744,704	9,796,242	10,677,614	10,614,793
Other Taxes	283,645	284,911	278,390	264,198	220,840	219,714	230,038	210,413	209,221	203,371
Occupation and Franchise Taxes	890,968	865,510	929,136	1,257,245	3,073,366	2,869,551	2,965,012	2,827,862	2,705,164	2,680,189
Interest	1,422,378	1,914,529	1,565,267	359,321	193,263	398,345	619,526	317,718	209,621	107,008
General Intergovernmental Revenues Unrestricted	1,990,556	2,416,335	936,490	1,856,222	518,515	462,641	429,545	409,242	398,194	372,186
Unrestricted Keno Revenues	755,968	740,713	698,497	785,108	782,377	664,431	621,592	642,534	584,717	552,493
General Revenue from Electrical Distribution System Lease/Use of Property	4,729,136	4,548,557	4,675,776	4,666,382	4,580,816	4,553,874	4,594,255	4,630,450	4,505,919	4,596,858
Gain on Sale of Capital Assets	61,005	32,616	56,997	19,840	20,075	-	5,940	35,000	56,219	17,097
Miscellaneous	117,340	284,328	171,536	203,323	123,141	104,449	208,110	120,658	92,345	109,622
Interfund Transfers	(146,256)	164,507	132,554	(748,119)	(2,629,752)	(287,673)	(59,930)	(2,232,632)	(459,318)	(103,763)
Net Position Received from Annexation	-	-	-	114,185	-	-	-	-	-	-
Total Governmental Activities	31,412,713	30,646,041	28,152,557	25,989,851	22,340,912	22,696,782	22,694,355	20,760,221	22,745,016	22,630,447
Business Type of Activities:										
Interest	997,498	688,199	438,008	75,274	20,304	151,819	245,931	170,004	64,418	27,278
Use of Property	-	-	-	-	-	-	-	-	-	82,022
Miscellaneous	5,488	18,777	19,157	14,609	18,429	8,916	22,915	22,980	21,859	18,944
Interfund Transfers	146,256	(164,507)	(132,554)	748,119	2,629,752	287,673	59,930	2,232,632	459,318	103,763
Net Position Received from Annexation	-	-	-	68,216	-	-	-	-	-	-
Total Business-Type Activities	1,149,242	542,469	324,611	906,218	2,668,485	448,408	328,776	2,425,616	545,595	232,007
Total Primary Government	\$ 32,561,955	\$ 31,188,510	\$ 28,477,168	\$ 26,896,069	\$ 25,009,397	\$ 23,145,190	\$ 23,023,131	\$ 23,185,837	\$ 23,290,611	\$ 22,862,454
Change in Net Position										
Governmental Activities	\$ 3,430,998	\$ 11,877,673	\$ 6,489,263	\$ 6,875,069	\$ 8,418,469	\$ 7,717,021	\$ 3,831,355	\$ 4,646,855	\$ 6,279,325	\$ 2,801,202
Business-Type Activities	6,343,474	6,044,750	4,772,633	3,354,426	6,883,366	3,222,750	2,830,228	4,987,315	2,659,700	1,618,107
Total Primary Government	\$ 9,774,472	\$ 17,922,423	\$ 11,261,896	\$ 10,229,495	\$ 15,301,835	\$ 10,939,771	\$ 6,661,583	\$ 9,634,170	\$ 8,939,025	\$ 4,419,309

TABLE 3

City of Norfolk, Nebraska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund					
Non Spendable	\$ 164,849	\$ 155,727	\$ 110,898	\$ 142,947	\$ 115,101
Restricted	830,245	63,073	29,830	43,155	39,181
Assigned	51,650	-	173,852	155,432	50,580
Unassigned	<u>11,090,149</u>	<u>13,121,675</u>	<u>12,190,412</u>	<u>10,883,760</u>	<u>11,640,486</u>
Total General Fund	<u>\$ 12,136,893</u>	<u>\$ 13,340,475</u>	<u>\$ 12,504,992</u>	<u>\$ 11,225,294</u>	<u>\$ 11,845,348</u>
All Other Governmental Funds					
Non Spendable	\$ 35,488	\$ 28,880	\$ 32,644	\$ 31,559	\$ 14,798
Restricted	21,044,725	18,521,569	20,937,165	29,822,180	13,445,718
Committed	-	5,363	5,123	117,044	1,860,530
Assigned	4,276,751	3,862,952	4,267,254	3,967,408	4,377,651
Unassigned	<u>(4,208,776)</u>	<u>(2,005,717)</u>	<u>(384,211)</u>	<u>(2,292,434)</u>	<u>(2,255,603)</u>
Total All Other Governmental Funds	<u>\$ 21,148,188</u>	<u>\$ 20,413,047</u>	<u>\$ 24,857,975</u>	<u>\$ 31,645,757</u>	<u>\$ 17,443,094</u>
Total Governmental Funds					
Non Spendable	\$ 200,337	\$ 184,607	\$ 143,542	\$ 174,506	\$ 129,899
Restricted	21,874,970	18,584,642	20,966,995	29,865,335	13,484,899
Committed	-	5,363	5,123	117,044	1,860,530
Assigned	4,328,401	3,862,952	4,441,106	4,122,840	4,428,231
Unassigned	<u>6,881,373</u>	<u>11,115,958</u>	<u>11,806,201</u>	<u>8,591,326</u>	<u>9,384,883</u>
Total Governmental Fund	<u>\$ 33,285,081</u>	<u>\$ 33,753,522</u>	<u>\$ 37,362,967</u>	<u>\$ 42,871,051</u>	<u>\$ 29,288,442</u>

TABLE 3 (CONT.)

City of Norfolk, Nebraska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund					
Non Spendable	\$ 55,671	\$ 53,885	\$ 38,468	\$ 34,735	\$ 41,535
Restricted	35,403	35,626	35,948	480,485	488,920
Assigned	115,813	131,260	28,484	13,770	-
Unassigned	10,391,447	9,938,855	9,257,812	8,287,694	8,420,582
Total General Fund	<u>\$ 10,598,334</u>	<u>\$ 10,159,626</u>	<u>\$ 9,360,712</u>	<u>\$ 8,816,684</u>	<u>\$ 8,951,037</u>
All Other Governmental Funds					
Non Spendable	\$ 37,769	\$ 27,458	\$ 16,052	\$ 17,950	\$ 16,687
Restricted	11,541,590	12,202,044	10,816,613	11,311,850	13,329,130
Committed	3,285,899	2,727,215	2,155,920	1,810,263	1,579,460
Assigned	3,500,477	3,413,287	2,934,958	2,639,506	2,494,115
Unassigned	(6,475,927)	(6,212,438)	(864,234)	(1,898,527)	(1,878,019)
Total All Other Governmental Funds	<u>\$ 11,889,808</u>	<u>\$ 12,157,566</u>	<u>\$ 15,059,309</u>	<u>\$ 13,881,042</u>	<u>\$ 15,541,373</u>
Total Governmental Funds					
Non Spendable	\$ 93,440	\$ 81,343	\$ 54,520	\$ 52,685	\$ 58,222
Restricted	11,576,993	12,237,670	10,852,561	11,792,335	13,818,050
Committed	3,285,899	2,727,215	2,155,920	1,810,263	1,579,460
Assigned	3,616,290	3,544,547	2,963,442	2,635,276	2,494,115
Unassigned	3,915,520	3,726,417	8,393,578	6,389,167	6,542,563
Total Governmental Fund	<u>\$ 22,488,142</u>	<u>\$ 22,317,192</u>	<u>\$ 24,420,021</u>	<u>\$ 22,679,726</u>	<u>\$ 24,492,410</u>

Table 4

City of Norfolk, Nebraska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 21,346,018	\$ 19,453,131	\$ 18,766,477	\$ 17,248,497	\$ 15,514,375
Special Assessments	475,772	466,491	556,682	1,095,973	2,802,940
Licenses & Permits	528,699	512,622	781,464	411,007	463,760
Intergovernmental Revenue	9,628,909	11,677,192	9,220,313	8,328,181	8,150,101
Nongovernmental Grants	37,256	2,296	21,181	5,520	13,000
Keno Revenue	755,968	740,713	698,497	785,107	782,377
Charges for Services	3,893,801	3,652,912	3,215,829	2,773,316	2,734,294
Occupation & Franchise Taxes	890,967	865,510	929,136	1,257,245	3,073,366
Contributions	1,063,739	928,708	870,519	1,909,501	25,604
Payments in Lieu of Taxes	279,955	279,174	270,047	253,564	212,560
Parking Fees and Rentals	4,737,281	4,580,705	4,720,904	4,688,592	4,655,640
Loan Repayments	124,399	26,151	47,610	50,971	61,476
Interest	1,167,143	1,685,580	1,440,018	339,773	187,901
TIF Bond Revenue	5,961,706	2,370,296	4,140,596	4,652,802	2,895,352
Miscellaneous	224,707	345,091	190,960	127,539	166,811
Annexation Revenue	-	-	-	114,185	-
Total Revenue	<u>51,116,320</u>	<u>47,586,572</u>	<u>45,870,233</u>	<u>44,041,773</u>	<u>41,739,557</u>
Expenditures					
General Government	4,605,191	3,776,171	3,464,426	3,942,291	2,753,848
Public Safety	16,525,882	14,146,639	13,317,654	13,214,392	11,886,436
Public Works	11,015,903	18,436,374	20,400,266	16,312,203	9,055,189
Public Library	1,904,801	1,866,046	1,985,477	1,718,364	1,675,713
Parks and Recreation	7,181,199	9,367,095	5,824,025	4,822,169	3,322,977
Community Improvement & Development	8,057,145	4,565,758	6,845,421	6,886,196	5,450,085
Debt Service					
Principal Retirement	1,258,557	1,032,270	866,889	3,955,483	4,535,000
Interest	1,260,369	1,176,885	958,893	258,756	435,009
Total Expenditure	<u>51,809,047</u>	<u>54,367,238</u>	<u>53,663,051</u>	<u>51,109,854</u>	<u>39,114,257</u>
Excess (Deficiency) of Revenues over expenditures	<u>(692,727)</u>	<u>(6,780,666)</u>	<u>(7,792,818)</u>	<u>(7,068,082)</u>	<u>2,625,300</u>
Other Financing Sources (Uses)					
Insurance Proceeds	26,801	17,500	48,688	11,251	-
Issuance of TIF Proceeds	-	-	-	-	-
Issuance of Debt	-	2,685,000	1,965,000	20,285,000	4,175,000
Leases	-	-	-	8,196	-
Information Technology Subscriptions	39,769	339,562	48,529	-	-
Premium (Discount) on Bonds	-	(20,841)	37,221	175,527	-
Issuance of Refunding Bonds	-	-	-	-	1,005,000
Debt Service on Refunded Bonds	-	-	-	-	(1,005,000)
Transfers In	4,211,705	2,925,340	3,680,203	4,435,433	6,048,055
Transfers Out	<u>(4,053,989)</u>	<u>(2,775,340)</u>	<u>(3,494,907)</u>	<u>(4,264,717)</u>	<u>(6,048,055)</u>
Total Other Financing Sources (Uses)	<u>224,286</u>	<u>3,171,221</u>	<u>2,284,734</u>	<u>20,650,690</u>	<u>4,175,000</u>
Net Change in Fund Balances	<u>\$ (468,441)</u>	<u>\$ (3,609,445)</u>	<u>\$ (5,508,084)</u>	<u>\$ 13,582,609</u>	<u>\$ 6,800,300</u>
Debt Service as a Percentage of Noncapital Expenditures	6.05%	6.42%	5.23%	11.37%	14.67%

Table 4 (cont.)

City of Norfolk, Nebraska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 13,774,312	\$ 13,072,062	\$ 13,789,353	\$ 14,435,331	\$ 14,154,637
Special Assessments	328,504	234,032	655,903	194,862	478,529
Licenses & Permits	563,452	426,812	444,192	367,889	271,234
Intergovernmental Revenue	6,375,503	5,871,649	6,709,209	4,912,529	4,910,812
Nongovernmental Grants	1,200	71,265.00	134,940	50,000	50,000
Keno Revenue	664,431	621,592	642,534	584,717	552,493
Charges for Services	2,141,961	2,167,855	2,144,854	2,089,143	1,980,265
Occupation & Franchise Taxes	2,869,552	2,965,013	2,827,862	2,705,165	2,680,188
Contributions	40,796	91,081	137,269	436,499	17,661
Payments in Lieu of Taxes	212,886	222,567	207,684	209,221	203,371
Parking Fees and Rentals	4,624,271	4,654,615	4,677,817	4,535,554	4,596,859
Loan Repayments	55,587	20,681	31,428	71,501	156,428
Interest	365,651	537,578	259,251	179,142	94,744
TIF Bond Revenue	-	-	-	-	-
Miscellaneous	124,416	251,518	179,725	190,118	147,949
Annexation Revenue	-	-	-	-	-
Total Revenue	32,142,522	31,208,320	32,842,021	30,961,671	30,295,170
Expenditures					
General Government	2,734,938	2,437,532	2,443,110	2,612,548	2,473,293
Public Safety	11,690,704	11,609,441	10,167,136	9,987,194	10,209,750
Public Works	8,060,727	12,517,851	6,633,898	8,501,967	7,181,786
Public Library	1,566,562	1,576,692	5,954,475	5,137,451	1,718,799
Parks and Recreation	3,372,195	2,884,573	3,481,853	2,554,955	2,785,403
Community Improvement & Development	5,870,586	6,132,869	3,334,776	1,091,316	4,449,547
Debt Service					
Principal Retirement	2,245,000	2,235,000	2,155,000	3,960,000	13,535,000
Interest	519,489	448,904	389,154	443,424	595,287
Total Expenditure	36,060,201	39,842,862	34,559,402	34,288,855	42,948,865
Excess (Deficiency) of Revenues over expenditures	(3,917,679)	(8,634,542)	(1,717,381)	(3,327,184)	(12,653,695)
Other Financing Sources (Uses)					
Insurance Proceeds	7,402	13,871	24,676	-	20,885
Issuance of TIF Proceeds	4,081,227	4,210,750	-	-	-
Issuance of Debt	-	2,290,000	3,415,000	-	870,000
Leases	-	-	-	-	-
Information Technology Subscriptions	-	-	-	-	-
Premium on Bonds	-	-	-	-	453,613
Issuance of Refunding Bonds	-	-	-	1,520,000	9,420,000
Debt Service on Refunded Bonds	-	-	-	-	-
Transfers In	2,503,321	1,980,970	4,338,194	4,754,981	4,825,719
Transfers Out	(2,503,321)	(1,963,878)	(4,338,194)	(4,742,481)	(4,825,719)
Total Other Financing Sources (Uses)	4,088,629	6,531,713	3,439,676	1,532,500	10,764,498
Net Change in Fund Balances	\$ 170,950	\$ (2,102,829)	\$ 1,722,295	\$ (1,794,684)	\$ (1,889,197)
Debt Service as a Percentage of Noncapital Expenditures	10.56%	9.06%	9.02%	17.82%	37.92%

CITY OF NORFOLK, NEBRASKA
TOTAL CITY TAXABLE SALES
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year Ended September 30,	Total City Taxable Sales	Total Direct Tax Rate
2025	\$ 802,218,292	2.00%
2024	832,886,290	1.50%
2023	784,800,305	1.50%
2022	731,462,910	1.50%
2021	687,203,571	1.50%
2020	611,706,333	1.50%
2019	574,860,915	1.50%
2018	554,798,701	1.50%
2017	535,529,003	2.00%
2016	527,991,172	2.00%

Source: City of Norfolk Finance Office

CITY OF NORFOLK, NEBRASKA
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TABLE 6

	<u>Direct</u>	<u>Overlapping (1)</u>	
Fiscal Year	City of Norfolk	State of Nebraska	Total Tax Rate
2025 (3)	2.00%	5.50%	7.50%
2024	1.50%	5.50%	7.00%
2023	1.50%	5.50%	7.00%
2022	1.50%	5.50%	7.00%
2021	1.50%	5.50%	7.00%
2020	1.50%	5.50%	7.00%
2019	1.50%	5.50%	7.00%
2018 (2)	1.50%	5.50%	7.00%
2017	2.00%	5.50%	7.50%
2016	2.00%	5.50%	7.50%

- Note: (1) Overlapping rates are those of other governments that apply to consumers within the City of Norfolk.
- (2) April 1, 2015 tax rate in the City of Norfolk changed from 1.5% to 2.0% for 3 years to fund Library updates. The additional 0.5% sales tax sunset on March 31, 2018.
- (3) April 1, 2025 tax rate in the City of Norfolk changed from 1.5% to 2.0% for 4 years to fund the Police station expansion and renovation, with any remaining funds going toward street improvements. The additional 0.5% sales tax will sunset on March 31, 2029.

CITY OF NORFOLK, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR AND NINE YEARS AGO

TABLE 7

Business Classifications	2025			2016		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 391,887,694	1	50.79%	\$ 324,605,332	1	53.45%
Accommodation & Food Services	100,337,613	2	13.00%	65,701,097	2	10.82%
Other	279,413,327	-	36.21%	216,948,348	-	35.73%
Total	<u>\$ 771,638,634</u>		100.00%	<u>\$ 607,254,777</u>		100.00%

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. Percentages are not available for Utilities to avoid disclosure of confidential information but are included in the Total.

Source: Nebraska Dept of Revenue

City of Norfolk, Nebraska
Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years

TABLE 8

FISCAL YEAR (2)	REAL PROPERTY	PERSONAL PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT TAX RATE
2025	\$ 2,683,143,256	\$ 112,670,232	\$ 2,795,813,488	0.2604
2024	2,441,308,603	122,529,111	2,563,837,714	0.2763
2023	2,258,553,515	113,015,789	2,371,569,304	0.2976
2022	2,082,504,423	106,967,897	2,189,472,320	0.3089
2021	1,836,323,928	69,866,598	1,906,190,526	0.3129
2020	1,768,115,204	59,822,198	1,827,937,402	0.2610
2019	1,587,354,266	58,508,792	1,645,863,058	0.2616
2018	1,527,100,699	58,347,001	1,585,447,700	0.2619
2017	1,414,978,332	51,546,991	1,466,525,323	0.2583
2016	1,336,246,190	47,747,588	1,383,993,778	0.2582

(1) TAXABLE PROPERTY IS ASSESSED AT 100% OF ITS ESTIMATED ACTUAL VALUE.

(2) THE ASSESSED VALUATIONS ARE EFFECTIVE ON SEPTEMBER 1 OF EACH YEAR.

SOURCE: MADISON COUNTY ASSESSOR'S OFFICE

City of Norfolk, Nebraska
Property Tax Rates-Direct and Overlapping Governments (1)
Last Ten Fiscal Years

TABLE 9

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CITY OF NORFOLK										
GENERAL FUND	0.2188	0.2313	0.2501	0.2577	0.2539	0.2095	0.1937	0.1928	0.1880	0.1685
DEBT SERVICE	0.0365	0.0398	0.0431	0.0466	0.0536	0.0460	0.0373	0.0373	0.0366	0.0529
ECONOMIC DEVELOPMENT FUND	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0245	0.0255	0.0275	0.0306
VEHICLE PARKING FUND(3)	0.0051	0.0052	0.0044	0.0046	0.0054	0.0055	0.0061	0.0063	0.0062	0.0062
TOTAL DIRECT RATE	<u>0.2604</u>	<u>0.2763</u>	<u>0.2976</u>	<u>0.3089</u>	<u>0.3129</u>	<u>0.2610</u>	<u>0.2616</u>	<u>0.2619</u>	<u>0.2583</u>	<u>0.2582</u>
OVERLAPPING RATES (2)										
MADISON COUNTY	0.3075	0.3266	0.3663	0.3903	0.3742	0.3700	0.3793	0.3265	0.3267	0.3268
SCHOOL DISTRICT NO 2	0.8737	0.9251	1.0247	1.0781	1.0800	1.1275	1.1735	1.1766	1.1880	1.2051
NORTHEAST COMMUNITY COLLEGE	0.0200	0.0200	0.0900	0.0925	0.0940	0.0950	0.0950	0.0950	0.0909	0.0913
NORFOLK AIRPORT AUTHORITY	0.0293	0.0319	0.0345	0.0345	0.0396	0.0357	0.0397	0.0412	0.0437	0.0318
LOWER ELKHORN NRD	0.0167	0.0185	0.0226	0.0230	0.0232	0.0244	0.0237	0.0231	0.0233	0.0240
AGRICULTURAL SOCIETY MADISON COUNTY	0.0080	0.0090	0.0098	0.0106	0.0109	0.0109	0.0112	0.0109	0.0110	0.0110
EDUCATIONAL SERVICES UNIT #8	0.0136	0.0145	0.0150	0.0150	0.0150	0.0135	0.0133	0.0131	0.0131	0.0126
NORFOLK SANITARY DISTRICT	0.0044	0.0046	0.0049	0.0053	0.0060	0.0062	0.0147	0.0148	0.0099	0.0100
RAILROAD TRANSPORTATION SAFETY DIST.	0.0000	0.0029	0.0000	0.0066	0.0072	0.0079	0.0083	0.0083	0.0101	0.0093
TOTAL OVERLAPPING RATES	<u>1.2732</u>	<u>1.3531</u>	<u>1.5678</u>	<u>1.6559</u>	<u>1.6501</u>	<u>1.6911</u>	<u>1.7587</u>	<u>1.7095</u>	<u>1.7167</u>	<u>1.7219</u>
TOTAL PROPERTY TAXES	1.5336	1.6294	1.8654	1.9648	1.9630	1.9521	2.0203	1.9714	1.9750	1.9801

(1) TAX RATES ARE PER \$100 OF ASSESSED VALUATION, AND EFFECTIVE ON SEPTEMBER 1 OF EACH YEAR

(2) OVERLAPPING RATES ARE THOSE OF LOCAL AND COUNTY GOVERNMENTS THAT APPLY TO PROPERTY OWNERS WITHIN THE CITY OF NORFOLK NE.

(3) THE TAX RATE IN THE VEHICLE PARKING DISTRICT IN DOWNTOWN NORFOLK NEBRASKA RANGES FROM .30 TO .35 PER \$100 OF ASSESSED VALUATION. THE DISTRICT'S ASSESSED VALUATION IS ABOUT 2% OF THE CITY ASSESSED VALUATION. THE RATE REPORTED IS THE RATE THAT IF APPLIED TO THE CITY VALUATION RESULTS IN THE DISTRICT'S PROPERTY TAX LEVIED.

City of Norfolk, Nebraska
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 10

TAXPAYERS	TYPE OF BUSINESS	2025			2016		
		TAXABLE ASSESSED	% OF TOTAL CITY TAXABLE ASSESSED		TAXABLE ASSESSED	% OF TOTAL CITY TAXABLE ASSESSED	
			VALUE	RANK		VALUE	RANK
FAITH REGIONAL HEALTH SERVICES	MEDICAL OFFICES	\$ 42,880,449	1	1.53%	\$ 9,984,789	2	0.72%
NORFOLK WEST INN LLC	HOTEL	14,649,615	2	0.52%	-	-	0.00%
VALLEY DRIVE PROPERTIES LLC	HOUSING DEVELOPMENT	14,077,058	3	0.50%	-	-	0.00%
MIDWEST BANK NA	FINANCIAL INSTITUTION	13,684,474	4	0.49%	-	-	0.00%
MENARD INC	RETAIL STORE	12,692,681	5	0.45%	6,244,800	6	0.45%
NORFOLK LODGE & SUITES LLC	HOTEL	12,552,324	6	0.45%	-	-	0.00%
ELKHORN VALLEY BANK	FINANCIAL INSTITUTION	12,458,090	7	0.45%	-	-	0.00%
BLACK HILLS NEBRASKA GAS LLC	UTILITY	12,110,204	8	0.43%	-	-	0.00%
TIMM VILLAGE GREEN LLC	APARTMENTS	11,069,379	9	0.40%	5,808,872	7	0.42%
ALLO COMMUNICATIONS, LLC	TELEPHONE	10,574,331	10	0.38%	-	-	0.00%
N S P LLC	SHOPPING MALL	-	-	0.00%	13,165,843	1	0.95%
WAL-MART STORES INC	RETAIL STORE	-	-	0.00%	9,792,578	3	0.71%
HEARTLAND PANTRY INC	RETAIL STORE	-	-	0.00%	8,800,461	4	0.64%
HERITAGE OF NORFOLK INC	NURSING HOME	-	-	0.00%	6,565,133	5	0.47%
UNION PACIFIC RAILROAD CO	RAILROAD	-	-	0.00%	5,766,890	8	0.42%
QWEST CORPORATION	TELEPHONE	-	-	0.00%	5,455,718	9	0.39%
WIS-PAK	BOTTLING DISTRIBUTION	-	-	0.00%	5,334,484	10	0.39%
TOTAL		\$ 156,748,605		5.60%	\$ 76,919,568		5.56%

Source: MADISON COUNTY ASSESSOR'S OFFICE

CITY OF NORFOLK, NEBRASKA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year Ended Sep 30	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 7,083,822	\$ 6,954,155	98.17%	\$ -	\$ 6,954,155	98.17%
2024	7,074,529	6,900,025	97.53%	174,504	7,074,529	100.00%
2023	6,777,097	6,637,531	97.94%	139,566	6,777,097	100.00%
2022	5,968,681	5,837,422	97.80%	131,259	5,968,681	100.00%
2021	4,774,439	4,662,468	97.65%	109,174	4,771,642	99.94%
2020	4,307,369	4,195,494	97.40%	96,752	4,292,247	99.65%
2019	4,153,321	3,586,171	86.34%	557,113	4,143,284	99.76%
2018	3,790,655	3,687,877	97.29%	91,080	3,778,957	99.69%
2017	3,573,866	3,466,463	96.99%	96,495	3,562,958	99.69%
2016	3,340,527	3,268,556	97.85%	71,971	3,340,527	100.00%

CITY OF NORFOLK, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 12

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	DEBT PER CAPITA (1)	PERCENTAGE OF PERSONAL INCOME (1)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	LEASES	SBITAS	REVENUE BONDS	LEASES	SBITAS			
2025	\$ 26,807,106	\$ 4,692,720	\$ 11,146	\$ 307,739	\$ 27,101,873	\$ 75,117	\$ 24,646	\$ 59,020,347	N/A	N/A
2024	27,367,798	5,261,559	30,459	407,214	11,608,666	15,961	32,378	44,724,035	1,709.50	1.84
2023	25,145,354	5,823,791	51,127	109,253	12,273,262	31,884	40,202	43,474,873	1,662.71	1.81
2022	25,582,432	4,200,000	71,654	-	12,931,929	47,768	-	42,833,783	1,652.03	1.94
2021	8,668,702	4,615,000	-	-	8,156,894	-	-	21,440,596	858.76	1.01
2020	12,016,891	1,650,000	-	-	8,548,370	-	-	22,215,261	890.21	1.16
2019	14,168,543	1,790,000	-	-	8,936,054	-	-	24,894,597	1,018.23	1.37
2018	13,880,514	2,095,000	-	-	9,290,187	-	-	25,265,701	1,024.94	1.41
2017	14,606,376	905,000	-	-	5,700,000	-	-	21,211,376	868.11	1.26
2016	16,912,454	1,105,000	-	-	6,595,000	-	-	24,612,454	1,010.86	1.54

Notes: (1) See Table 16 for income and population data. 2025 population and personal income numbers are unavailable.

CITY OF NORFOLK, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 13

FISCAL YEAR	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS-GENERAL OBLIGATION PORTION	GENERAL BONDED DEBT	LESS: AMOUNTS RESTRICTED FOR DEBT SERVICE	NET GENERAL BONDED DEBT	NET BONDED DEBT PER CAPITA (1)	VALUATION OF TAXABLE REAL PROPERTY
2025	\$ 26,807,106	\$ 1,342,208	\$ 28,149,314	\$ 7,020,039	\$ 21,129,275	N/A	0.79%
2024	27,367,798	1,503,268	28,871,066	6,513,281	22,357,785	854.59	0.92%
2023	25,145,354	1,660,751	26,806,105	5,790,368	21,015,737	803.75	0.93%
2022	25,582,432	1,613,881	27,196,313	5,032,126	22,164,187	854.84	1.06%
2021	8,668,702	1,772,854	10,441,556	4,010,592	6,430,964	257.58	0.35%
2020	12,016,891	632,066	12,648,957	3,556,622	9,092,335	364.35	0.51%
2019	14,168,543	685,102	14,853,645	3,221,437	11,632,208	475.77	0.73%
2018	13,880,514	788,653	14,669,167	2,879,341	11,789,826	478.27	0.77%
2017	14,606,376	303,025	14,909,401	2,575,381	12,334,020	504.79	0.87%
2016	16,912,454	382,930	17,295,384	2,310,289	14,985,095	615.45	1.12%

Notes: (1) See Table 16 for population data. 2025 population numbers are unavailable.

CITY OF NORFOLK, NEBRASKA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025

TABLE 14

GOVERNMENTAL UNITS	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (1)	DIRECT AND OVERLAPPING DEBT TO THE CITY
DIRECT:			
CITY	\$ 31,818,711	100.00%	\$ 31,818,711
OVERLAPPING:			
Norfolk School District #2	\$ 5,075,000	65.12%	\$ 3,304,840

Note: (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Norfolk's boundaries and dividing it by the unit's total taxable revenue base.

SOURCE: NORFOLK PUBLIC SCHOOLS

CITY OF NORFOLK, NEBRASKA
PLEDGED REVENUE COVERAGE
COMBINED UTILITIES BONDS OF THE WATER, SEWER AND SOLID WASTE FUNDS
LAST TEN FISCAL YEARS

TABLE 15

	GROSS REVENUE (1)	DIRECT OPERATING EXPENSES (2)	NET AVAILABLE REVENUE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
2025	\$ 15,386,621	\$ 9,042,921	\$ 6,343,700	\$ 640,000	\$ 507,127	\$ 1,147,127	5.53
2024	14,310,937	8,143,055	6,167,882	630,000	270,462	900,462	6.85
2023	12,978,251	7,957,301	5,020,950	615,000	278,735	893,735	5.62
2022	11,911,894	7,833,571	4,078,323	395,000	274,273	669,273	6.09
2021	10,750,245	7,126,706	3,623,539	380,000	206,094	586,094	6.18
2020	10,437,223	7,278,850	3,158,373	370,000	211,223	581,223	5.43
2019	10,149,488	6,610,735	3,538,753	330,000	215,626	545,626	6.49
2018	9,558,203	6,569,173	2,989,030	290,000	222,689	512,689	5.83
2017	9,463,735	5,806,596	3,657,139	895,000	163,784	1,058,784	3.45
2016	8,622,767	5,353,538	3,269,229	845,000	183,051	1,028,051	3.18

1) TOTAL OPERATING REVENUE PLUS INTEREST INCOME LESS STORMWATER DIVISION

2) TOTAL OPERATING EXPENSES EXCLUSIVE OF DEPRECIATION AND AMORTIZATION LESS STORMWATER DIVISION

CITY OF NORFOLK, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 16

Fiscal Year	Population(1)	Personal Income (2) (000's)	Per Capita Personal Income(2)	Public School Enrollment(3)	Unemployment Rate(4)
2025	N/A	N/A	N/A	4,404	2.8%
2024	26,162	2,427,362	68,225	4,542	2.6%
2023	26,147	2,395,545	67,240	4,519	2.0%
2022	25,928	2,209,345	62,467	4,546	2.0%
2021	24,967	2,126,201	60,169	4,480	1.4%
2020	24,955	1,918,321	55,104	4,437	3.5%
2019	24,449	1,817,604	51,785	4,573	2.8%
2018	24,651	1,791,894	50,630	4,446	2.5%
2017	24,434	1,689,969	48,087	4,370	2.7%
2016	24,348	1,599,237	45,673	4,325	3.0%

Sources: (1) These figures are estimates compiled from the most recent data available from the Bureau of Census and the NE Dept of Labor. 2025 numbers are unavailable.

(2) Bureau of Economic Analysis. 2025 numbers are unavailable.

Numbers are shown for Madison County.

(3) Norfolk Public Schools PreK-12

(4) State of Nebraska, NE Dept of Labor

CITY OF NORFOLK, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 17

EMPLOYER	2025			2016		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Faith Regional Health Services	1,390	1	5.31%	1,275	1	5.22%
Nucor Corporation	1,139	2	4.35%			
Norfolk Public Schools	729	3	2.79%	705	2	2.88%
Northeast Community College	705	4	2.69%	704	3	2.88%
Walmart	423	5	1.62%	407	8	1.67%
Associated Wholesale Grocers	370	6	1.41%	654	4	2.68%
Contitech	305	7	1.17%			
Norfolk Iron & Metal	268	8	1.02%	320	10	1.31%
Cardinal Health	220	9	0.84%			
Wis-Pak	150	10	0.57%			
Medtronic				500	5	2.05%
Vulcraft Division of Nucor Corp				478	6	1.96%
Nucor Steel Division of Nucor Corp				423	7	1.73%
Veyance Technologies				350	9	1.43%
Total	<u>5,699</u>		<u>21.77%</u>	<u>5,816</u>		<u>23.81%</u>

Source: City of Norfolk Finance

CITY OF NORFOLK, NEBRASKA
Full-Time Equivalent City Governmental Employees by Function
Last Ten Fiscal Years

TABLE 18

Full-Time Equivalent City Government Employees by Function as of September 30										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government	31.00	31.00	32.00	30.00	27.75	28.15	26.34	29.00	29.00	29.00
Engineering	6.63	6.00	6.00	6.00	6.00	6.00	6.00	7.00	6.00	6.00
Public Safety										
Police	48.93	51.93	51.94	50.94	63.50	62.50	62.40	62.00	60.50	60.00
Fire	35.00	35.90	35.90	34.90	35.40	35.40	31.55	36.55	36.05	36.05
Region 11	1.00	1.10	1.10	1.10	1.10	1.10	0.95	0.95	0.95	0.95
SNARE	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Dispatch	18.07	16.07	16.07	16.07	0.00	0.00	0.00	0.00	0.00	0.00
Streets	23.00	21.00	20.00	18.60	23.60	23.60	22.62	22.62	22.62	22.62
Fleet	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Development	6.00	6.00	6.00	6.00	6.00	6.00	7.00	0.00	0.00	0.00
Culture & Recreation										
Parks	26.00	26.00	26.00	25.40	24.40	24.40	21.00	19.00	19.00	20.00
Recreation	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00
Library	16.03	16.15	16.16	16.07	16.07	16.07	16.07	15.64	15.64	15.21
Housing	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Economic Development										
Operating	3.00	3.00	3.00	3.00	3.25	3.25	2.66	2.00	3.00	3.00
Water	10.63	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Sewer Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water Pollution Control	10.00	10.00	10.00	9.50	8.50	8.50	8.50	8.50	8.50	8.50
Solid Waste Management	8.88	8.88	8.88	8.88	8.88	7.88	8.38	7.38	7.38	6.38
Stormwater Utility	0.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Total	259.30	260.16	260.18	253.59	246.58	244.98	236.60	233.77	231.77	230.84

Source: City of Norfolk Finance

CITY OF NORFOLK, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 19

FUNCTION	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Water/Sewer Customers Billed	10,327	10,283	10,057	9,968	9,863	9,835	9,712	9,649	9,633	9,602
Engineering										
Miles of Paving Districts	1.84	2.05	1.00	1.51	3.35	0.68	0.78	0.00	0.00	0.14
Miles of Street Reconstruction	0.50	2.80	1.96	7.40	0.45	0.71	1.20	1.40	0.00	0.17
Public Safety										
Police:										
Criminal Arrests	1,003	954	1,035	1,179	1,107	1,279	1,178	1,525	1,465	1,392
Traffic Arrests	1,502	1,950	1,711	2,033	3,012	2,226	2,115	1,865	2,129	2,391
Drug/Alcohol Arrests	511	544	510	639	849	797	709	705	712	749
Fire:										
Rescue Calls	2,958	3,080	2,803	2,646	2,430	2,078	2,048	2,100	1,960	2,066
Fire Calls	481	426	411	424	361	352	363	329	316	316
Culture and Recreation										
Library										
Total Circulation	262,633	260,292	245,647	236,094	227,974	200,529	288,029	253,346	265,698	295,787
Community Improvement and Development										
Planning and Development										
Building Permits	541	530	498	527	501	516	457	423	461	423
Water:										
Water Inspections	40	54	39	65	66	53	53	59	69	56
Locates	3,875	4,101	5,415	5,941	8,663	5,548	3,354	3,308	3,565	3,475
Sewer:										
Water Pollution Control										
Billion of Gallons treated	1.128	1.191	1.052	1.043	1.103	1.077	1.253	1.128	1.054	1.099
Sewer Maintenance										
Sewer Inspections	29	29	19	42	35	37	29	46	48	31
Solid Waste Management										
Average Daily Tonnage	123	125	117	113	113	111	122	113	112	109

Sources: Various City Departments

CITY OF NORFOLK, NEBRASKA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 20

FUNCTION	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Administrative Offices	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Safety										
Police Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets										
Streets (Miles)	173.26	172.64	171.39	207.14	155.41	150.70	147.75	147.15	145.56	145.09
Streetlights	2,608	2,549	2,552	2,550	2,357	2,344	2,327	2,282	2,305	2,277
Parks										
Parks Acreage	532.00	532.00	474.78	474.78	474.78	430.96	422.20	422.20	422.20	421.60
Parks #	17.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00	13.00	13.00
Swimming Pools	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Tennis Courts	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Pickleball Courts	4.00	-	-	-	-	-	-	-	-	-
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water										
Water mains (miles)	192.00	190.00	190.00	190.00	146.00	141.00	137.00	131.00	127.00	126.00
Water treatment plants	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sewer										
Sanitary sewer (miles)	159.00	158.00	158.00	158.00	145.00	145.00	142.00	140.00	137.00	133.00
Sewage treatment plants	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Sources: Various City Departments

SINGLE AUDIT SECTION

City of Norfolk, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Direct Financial Assistance:			
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 2,897
		Program 16.607 Subtotal	2,897
U.S. Department of Transportation			
Safe Streets and Roads for All Program	20.939	N/A	147,183
		Program 20.939 Subtotal	147,183
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant Program	81.128	N/A	75,890
		Program 81.128 Subtotal	75,890
Indirect Financial Assistance:			
Pass-Through the Nebraska Department of Economic Development			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	23-ARPA-11010	1,086,350
Pass-Through the Nebraska Department of Administrative Services			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	2,271,543
Pass-Through the Nebraska Department of Natural Resources			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Contract #1449	852,685
		Program 21.027 Subtotal	4,210,578
U.S. Department of Health & Human Services			
Pass-Through the Elkhorn-Logan Valley Health Dept			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	2,500
		Program 93.959 Subtotal	2,500
U.S. Department of Homeland Security			
Pass-Through the Nebraska Emergency Management Agency			
Emergency Management Performance Grants	97.042	2024-EMPG	62,071
		Program 97.042 Subtotal	62,071
U.S. Department of Agriculture			
Pass-Through the University of Nebraska-Lincoln			
Inflation Reduction Act Urban & Community Forestry Program	10.727	25-6553-0115-009	29,955
		Program 10.727 Subtotal	29,955
U.S. Department of Housing & Urban Development			
Pass-Through Nebraska Department of Economic Development			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	119-34615-00	5,062
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	23-DTR-008	87,732
		Program 14.228 Subtotal	92,794
Total Federal Award Expenditures			\$ 4,623,868

City of Norfolk, Nebraska
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Note 1: The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Norfolk, Nebraska (the City) under programs of the federal government for the year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: The City did not pass-through any funds to subrecipients during the year ended September 30, 2025.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable Members of the City Council
City of Norfolk, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk, Nebraska (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2026, which contained an other matter paragraph regarding summarized comparative information.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Lincoln, Nebraska
March 27, 2026**

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Honorable Members of the City Council
City of Norfolk, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Norfolk, Nebraska's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Norfolk, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable Members of the City Council
City of Norfolk, Nebraska

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Lincoln, Nebraska
March 27, 2026

City of Norfolk, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with (GAAP):

☒ **Unmodified** ☐ **Qualified** ☐ **Adverse** ☐ **Disclaimer**

2. Internal control over financial reporting:

Significant deficiency(ies) identified? ☐ **Yes** ☒ **None Reported**

Material weakness(es) identified? ☐ **Yes** ☒ **No**

3. Noncompliance material to the financial statements noted?

☐ **Yes** ☒ **No**

Federal Awards

4. Internal control over compliance for major federal awards programs:

Significant deficiency(ies) identified? ☐ **Yes** ☒ **None Reported**

Material weakness(es) identified? ☐ **Yes** ☒ **No**

5. Type of auditor’s report issued on compliance for the major federal program:

☒ **Unmodified** ☐ **Qualified** ☐ **Adverse** ☐ **Disclaimer**

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

☐ **Yes** ☒ **No**

7. Identification of the major federal program:

Cluster/Program

Assistance Listing Number

Coronavirus State and Local Fiscal Recovery
Funds

21.027

City of Norfolk, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2025

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000.

9. Auditee qualified as a low risk auditee? ☒ **Yes** ☐ **No**

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Awards Findings and Questioned Costs

Reference Number	Finding
-------------------------	----------------

No matters are reportable.

City of Norfolk, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	